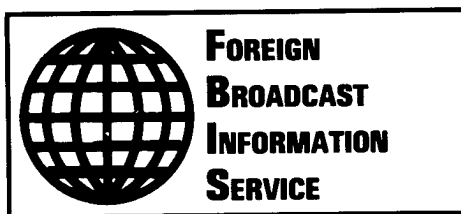


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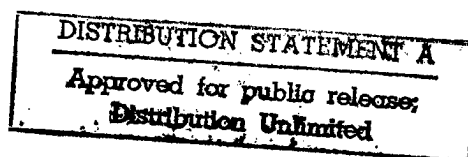


# ***JPRS Report***

## **China**

### ***PROVINCIAL GOVERNMENT WORK REPORTS***

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# China

## PROVINCIAL GOVERNMENT WORK REPORTS

JPRS-CAR-92-033

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## Guangxi Government Work Report

HK0705090092 Nanning GUANGXI RIBAO in Chinese  
17 Mar 92 pp 2-3

[Government Work Report Submitted to the Fifth Session of the Seventh Guangxi Autonomous Regional People's Congress by Cheng Kejie, chairman of the regional people's government, on 4 March 1992"]

[Text] Fellow deputies:

On behalf of the people's government of the autonomous region, I now submit the government work report to the people's congress for your examination and approval.

### Review of the Work in 1991

Over the past year, under the guidance of the autonomous regional party committee and with the supervision and support of the autonomous regional people's congress, we have conscientiously implemented the spirit of the Seventh and Eighth Plenary Sessions of the 13th CPC Central Committee; carried out the various principles and policies of the CPC Central Committee and the State Council; implemented the instructions by central leading comrades, including Jiang Zemin, given during their inspections in Guangxi; taken economic development as the central goal; upheld the four cardinal principles; stuck to reform and opening up; mobilized all positive factors; and concentrated our energies to develop the economy. With the concerted efforts of people of various nationalities throughout the region, we have achieved the major targets for national economic and social development in 1991 as passed at the fourth session of the seventh autonomous regional people's congress. The region as a whole is politically stable; society is stable; there is nationality unity; and the economy is developing in a sustained manner.

### I. We Have Formulated the 10-Year Program and Eighth Five-Year Plan for Our Region's National Economic and Social Development

Early last year, in keeping with the decision of the Seventh Plenary Session of the 13th CPC Central Committee and with the spirit of the second session of the sixth autonomous regional party committee; and through conducting investigations and studies, summing up experiences, and soliciting a wide range of opinions, we drew up the outlines for the 10-Year Program and Eighth Five-Year Plan for our region's national economic and social development. They were approved at the fourth session of the seventh autonomous regional people's congress. The "outlines" specify that we will strive to quadruple the 1980 GNP level by the end of this century so that the people will be able to lead a comparatively comfortable life. Governments and departments at all levels also drew up development plans of their own.

### II. We Have Concentrated Our Energies on Developing the Economy, and Have Completed Various Tasks With Better Results

Last year, the region achieved sustained and stable growth in the national economy. According to preliminary statistics, the region attained a gross domestic product of 44.1 billion yuan (based on the prices of the current year, as are

all other figures hereafter), and calculated in terms of comparable prices, it had a 7.5-percent increase over the previous year; the national income came to 37.4 billion yuan, a 7.3-percent increase. The two figures were higher than the planned 5 percent increase targets.

—Despite serious natural disasters, we have reaped relatively good agricultural harvests, and the rural economy is developing in a sustained way. Last year, natural disasters were frequent, and droughts were particularly serious in spring and autumn; over half the total cropped area was afflicted. Leaders at all levels went deep to the forefront of production and organized the masses to struggle against the disasters. The broad masses did all they could to fight the disasters and to wrest bumper harvests, thus displaying the spirit of self-reliance and arduous struggle; while all trades, professions, and industries vigorously supported agriculture. All localities extensively mobilized the masses for farmland capital construction and paid attention to science and technology education for the invigoration of agriculture. While focusing on grain production, they vigorously developed a variety of economic undertakings, carried out comprehensive agricultural development, developed forestry, fruit farming, livestock farming, and aquatic product industry, and spent their energies setting up township and town enterprises, thus enabling the rural economy to develop in a sustained way. The gross agricultural output reached 27.815 billion yuan, a 8.1-percent increase. Gross grain output reached 13.7654 million tons, a 260,000-ton decrease. Major cash crops maintained the growth trend. Sugar cane output was 18.9514 million tons, a 32.9-percent increase. Afforested area totaled 7.0535 million mu, a 10.8-percent increase. Because growth of forest resources was higher than consumption, the relevant authorities received the "Award for Outstanding Results in Afforestation" and the "Award for Remarkable Results in the Control of Forest Resources Consumption." The output of meats and aquatic products also saw considerable increases. Township and town enterprises developed comparatively rapidly with a total income of 14.07 billion yuan, a 34-percent increase. Of these enterprises, those run by villages increased 43 percent.

—Industry developed in a sustained and steady manner. Last year, we conscientiously implemented the central authorities' instruction regarding the improvement of large and medium-size state-run enterprises and formulated the "Regulations Regarding the Further Invigoration of Large and Medium Enterprises." We started the "Year of Quality, Variety, and Efficiency" campaign and labor contests. We also vigorously promoted the enterprises' technological progress and paid proper attention to the introduction and development of technology. We adopted a variety of measures to break "debt chains" and resolved enterprises' fund shortages. We obtained a gross industrial output value of 42.044 billion yuan, a 15.4-percent increase. There was a comparatively considerable increase in the output of energy and major raw and semifinished materials. Enterprises' economic returns are picking up. The budgetary output value and sales income of state-run industrial enterprises increased 12.9 and 14.5

percent respectively. There was a 6.8-percent increase in profits and taxes turned over. All-labor productivity of independently calculated industrial enterprises increased 10.4 percent. Transportation, post, and telecommunications completed their targets with comparatively good results. There was new progress in geological prospecting, mapping, and technical supervision.

- Investment in fixed assets picked up, and the development of key projects proceeded smoothly. In keeping with the guiding thought of “laying a foundation, boosting returns, and taking a step forward,” and basing ourselves at the present time while fixing our eyes on enhancing our stamina, we vigorously strengthened the development of basic industries and infrastructural projects. Society as a whole invested 8.657 billion yuan in fixed assets, a 32.3-percent increase over the previous year. People-owned units invested 5.112 billion yuan, a 34.4-percent increase, of which capital construction investment increased 38.5 percent. The construction industry ended its stagnation, continued to develop, and was able to develop business abroad. The investment structure further improved. Investment in key industries and projects also increased, including agriculture, forestry, water conservancy, raw materials exploitation, energy, transportation, posts, telecommunications, science, education, culture, and public health. Investment in productive development projects was more rapid than in nonproductive ones. The 22 key development projects were able to overfulfill the fiscal plans. The region put another 3.3 billion yuan of investment in fixed assets, thus forming a number of new productive forces.
- We made new progress in poverty relief work. Last year, we further strengthened poverty relief work by continuing to help poverty-afflicted people in a variety of ways. The region spent 424 million yuan (made up of the value derived from service done rather than from direct donations) helping the poor and paid special attention to helping over 100 county-run industries and township and town enterprise items. We completed wall building and soil preservation projects, created over 130,000 mu of fields and cultivated land, built over 1,900 km of roads, and completed over 1,700 water supply projects for men and animals. Another 500,000 poverty-afflicted people rose above the line of adequate food and clothing.
- Market sales picked up, and commodity prices remained stable. Governments at all levels actively coordinated the relations between production and sales; organized state-run and cooperative business departments and foreign-trade departments to properly work on the purchase of industrial, agricultural, and sideline products; and vigorously developed home and international markets. The total volume of retail sales was 23.631 billion yuan, a 14.5-percent increase. Foreign trade and exports totaled \$832 billion, a 14.1-percent increase. Border trade developed relatively rapidly. Commodity prices were stable, and the general index of retail prices for last year rose an average 2.5 percent.
- We saw comparatively good results in finance and banking. Governments at all levels conscientiously implemented measures for increasing incomes and cutting down expenditures by vigorously making arrangements for financial incomes and strengthening taxation and tax management. The region obtained a local financial income of 5.535 billion yuan, which represents a 9.7 percent increase when calculated in terms of comparable factors. With this and central subsidies, we could basically maintain a balance between incomes and expenditures. Banks at all levels made efforts to optimize the loan structure and smoothed fund deposits; fund supplies were basically normal. Various kinds of bank deposits and loans at the end of the year increased 6.342 billion yuan and 5.055 billion yuan respectively; the net amount of currency reabsorbed reached 1.132 billion yuan. Achievements were made in the insurance industry, thus playing a positive role in developing production and stabilizing society.
- Developments were made in science, technology, and education. We formulated several policies to promote the development of science, technology, and education; increased financial input in these areas; and organized forces to implement science and technology programs for boosting agricultural and industrial development. We completed 69 Spark Program items at the state and autonomous regional levels, with an investment of over 430 million yuan. We obtained 441 scientific and technological results; of which two obtained third-grade state-level awards for scientific and technological progress, five obtained state-level Spark Program awards, and 347 obtained patents. There was new progress in the developments in the Guilin and Nanning High-Technology Industrial Development Areas. Schools at all levels and of various kinds continued to develop, schooling conditions gradually improved, and educational quality improved.
- The people's living standards continued to improve. Governments at all levels vigorously developed employment outlets, and the region's city and town unemployment rate decreased. Social welfare service continued to develop. According to sample surveys, the per-capita livelihood income of the region's city and town residents was 1,614 yuan and the net per-capita income of peasants was 657.7 yuan (calculated in terms of new factors), increasing 165.1 yuan and 18.29 yuan respectively. Proper arrangements were made for people in areas afflicted by natural disasters. Urban and rural living conditions continued to improve.

### III. We Have Made New Progress in Economic Structure Reform; and the Extent of Openness Has Been Further Expanded

Regarding economic structure reform, we adopted some reform measures to enhance the vitality of large and medium state-run enterprises. We conscientiously summed up experiences and further improved methods for handling the new round of contracts. We also made achievements in promoting the horizontal alliance of enterprises, improving enterprise groups, and promoting enterprise merger. In keeping with the State Council's unified arrangements, we

put into practice a new system by which foreign-trade enterprises could operate independently and assume sole responsibility for their profits and losses; and we adjusted grain prices. State commercial enterprises and supply and marketing enterprises obtained good results in experimenting with the four openings [si kai fang 0934 7030 2397], in "separating taxes from profits," and in experimenting with the reform of the housing and urban land use systems.

Regarding its opening to the outside world, Guangxi formulated a series of policies and measures to develop large tracts of land, to award people who did well in recommending foreign enterprises, to delegate powers of examination and approval for the establishment of foreign enterprises, and to set up sound institutions to serve the interests of opening up to the outside world. There was progress in the development of coastal open cities and economic development areas. The region utilized \$66.36 million of foreign capital, a 10 percent increase. We also obtained new achievements in economic and technological cooperation with other countries and in labor service exports. Multilevel, multichannel, and multiform contacts with the outside world became more frequent. Relations with friendly cities were restored and developed. Last year, we received 1,681 official delegations and teams from over 70 countries and regions, a three-fold increase over the previous year. Tourism continued to develop. We obtained comparatively good results in inter-provincial economic and technological cooperation and in rendering appropriate support for this job.

#### **IV. We Have Achieved New Developments in Spiritual Civilization and Various Social Undertakings**

We further strengthened the development of socialist spiritual civilization and ideological and political work. Socialist ideological education was carried out extensively in rural areas. The region organized over 39,000 cadres to carry out socialist education in rural areas, with the result that 72.5 percent of all rural areas were covered. Results were obtained in socialist education in cities and in education about "basic national conditions" and "the basic line" among enterprises. Founding of civilized units and villages, two-civilizations, "education in the three fine qualities," and military-civilian joint development activities were extensively launched throughout the region. In cultural work, we implemented the principle of "attaching importance to rectifying culture on the one hand and making it prosper on the other," started the antipornography struggle and the struggle to wipe out the "six vices," basically cleaning up the cultural market. We created a number of cultural works which possessed relatively high artistic merit and education. There were also new developments in mass cultural activities. We obtained results in press, publication, broadcasting, television, and social science research. Progress was made in medical care and public health in urban and rural areas. Overseas Chinese affairs activities were further strengthened. New achievements were made in civil administration, environmental protection, land administration, meteorological forecasts, statistics, files, and other jobs. We conscientiously implemented Central Document No. 9 and ensured that birth control regulations for the autonomous region were implemented, thus promoting

birth control work. The situation of people having many children was changed; according to sample surveys, the natural population growth was 1.465 percent.

#### **V. We Successfully Hosted the Fourth National Ethnic Minority Traditional Sports Meet**

This was the first large national sports meet. Everyone in the region did a great deal of arduous and careful work. We launched all kinds of activities in urban and rural areas to greet the ethnic minority sports meet. Vast numbers of cadres and people actively participated and devoted themselves in a selfless manner. For the ethnic minority sports meet, the region raised over 16 million yuan, of which over 340,000 were personal donations. Moreover, given the tight financial budget, the autonomous region allocated a special fund of 17.3 million yuan. More than 10,000 citizens in Nanning, Guangxi's capital, worked as volunteers. All trades, professions, and industries launched the "Be a Good Host and Contribute to the Ethnic Minority Sports Meet" contests. With the central authorities direct leadership and care, and with the careful arrangements by various quarters, the Ethnic Minority Sports Meet turned out to be warm, solemn, splendid, and successful and was highly praised by people abroad. During the Ethnic Minority Sports Meet, we also held trade fairs, thus expanding our region's domestic and foreign trade. The Ethnic Minority Sports Meet displayed the mental look of prosperity, stability, nationality unity, and our struggle for our socialist motherland's progress. It promoted the various jobs of our region and had significance far greater than that of a sports meet in and of itself. Moreover, progress was made in sports: Last year, our region's athletes broke world records in various international contests and obtained seven world champion and 10 runners-up medals. At the Ethnic Minority Sports Meet, our region obtained the largest number of medals as well as the Spiritual Civilization Award.

#### **VI. Stability and Unity Are Continuously Consolidated and Developed**

Last year, we paid a great deal of attention to the overall control of public security, resolutely cracked down on serious criminal activities, thoroughly launched campaigns to fight theft and women and child abduction, and started special struggles and operations to ban prostitution. In the meantime, we strengthened basic-level mediation organizations and promoted mass activities for the prevention and curbing of crime. We resolutely dealt blows to the infiltrative, subversive, and sabotage activities of hostile forces at home and abroad. We strengthened education in national defense and enhanced the people's awareness of the importance of national defense. The unity between the military and the government and between the military and the people was further consolidated and developed. Achievements were made in campaigns to support the army and give preferential treatment to families of revolutionary armymen and martyrs and to support the government and cherish the people. Last year, Liuzhou city was named "Exemplary City in the Two-Support Campaign." Democracy and the legal system were continuously strengthened. Governments at all levels accepted on their own initiative the supervision of the people's congresses at their levels and of their standing

committees. They kept the people's political consultative conferences at their own levels informed, and attached importance to the role of nonparty people in participating and discussing political and government affairs. They also accepted the supervision and criticisms of the masses and public opinion; carefully handled the various proposals from people's deputies and suggestions from the masses; strengthened the formulation of administrative regulations and rules and standard instruments; gradually instituted and improved administrative supervision mechanisms; and tried a number of administrative review cases; and put into practice the second five-year law popularization program.

### VII. Foster Honesty and Work Devotion

Government organs at all levels gradually instituted honesty and work devotion systems in keeping with the demand for honesty, high efficiency, practicality, facilitating the people, and streamlining administration. Investigation of the "three kinds of law breaking" basically ended. A definite result was made in the general inspection of taxation, finance, and commodity prices; and in rectifying the "three arbitraris" [arbitrary collection of charges, arbitrary imposition of fines, and arbitrary financial apportioning]. Bad practices in various trades, professions, and industries were gradually corrected. Auditing and supervision were continuously strengthened with the result that a number of discipline-breaking cases were unearthed.

Fellow deputies: The achievements and progress we have made over the past year are the fruits of our conscientiously implementing the line, principles, and policies of the CPC Central Committee and the State Council; the result of the autonomous regional party committee's correct leadership and the autonomous regional government's supervision and support; and the result of the concerted efforts of people of all nationalities across the region. The fact that we have obtained these achievements is inseparable from the vigorous support by the People's Liberation Army [PLA] units stationed in Guangxi and the armed police units. It is also inseparable from the cooperation and help of various democratic parties, mass organizations, and people of all sectors at home and abroad. On behalf of the autonomous regional government, workers, peasants, intellectuals, cadres, officers and men of the PLA and the armed police corps, and public security police of all nationalities across the region, I would like to express lofty respect and sincere gratitude to the democratic parties and people of all sectors at home and abroad!

Fellow deputies: Last year was a good beginning for our region to begin implementing the Eighth Five-Year Plan. Judging from how the plan was implemented last year, we know that we will be able to achieve the fixed objectives. Reviewing the work over the past, we have the following experiences:

**First, it is necessary to unify the thought of cadres at all levels so that they will take economic development as the center, and that they will concentrate their energies to boost the economy. They must not affect or interfere with this center at any time or in anything they do. Under the autonomous regional party committee's leadership, and with the**

emphasis on organs directly under the region and leading groups at all levels, we organized vast numbers of cadres across the region to conscientiously study the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh National People's Congress, and the theory of building socialism with Chinese characteristics; extensively launched educational activities that stressed the need to take economic development as the center and to develop productive forces to enhance the people's sense of mission and sense of urgency for the development of social productive forces and for boosting the economy at the earliest possible date. Leaders at all levels, and all trades, professions, and industries were gradually able to focus and rest on subjecting themselves to and serving economic development. Practice shows that the key to thoroughly understanding and implementing the party's basic line is to firmly seize economic development as the center, unify the thought of vast numbers of cadres so that they will take economic development as the center and that they will work together with one heart to improve the economy. This is the very foundation for Guangxi's invigoration. We must insist on educating people about the need to develop productive forces and continuously deepen this education, and must unswervingly and firmly seize economic development as the center and never lose our grip on it no matter what difficulties or risks we may encounter.

**Second, it is necessary to emancipate the mind, be bold to and good at proceeding with Guangxi's local realities, and creatively implement the central principles and policies.** In studying and implementing the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and the instructions of central leading comrades, we organized vast numbers of cadres to further analyze Guangxi's local conditions. Everyone knows that Guangxi's most fundamental conditions are that its economic development lags; it has a vast poverty-afflicted area; and its scientific, technological, cultural, and educational levels are low. The call for the invigoration of the economy and for the elimination of poverty is the common aspiration of 43 million people of all nationalities across Guangxi. For this reason, it is necessary to further emancipate the mind, expedite reform and opening up, make the best of the advantageous locations of coastal and border areas, fully and properly utilize relevant central policies for Guangxi's opening up, make the most of the autonomous rights conferred on the region by the Constitution and the Autonomous Law Governing Ethnic Minority Areas, insist on seeking truth from facts, and blaze new trails courageously and aggressively. On the basis of investigation and research, we formulated a series of policies and measures which concern the overall situation regarding Guangxi's opening to the outside, scientific progress, education development, the expediting of township and town enterprise development, poverty relief, and overall agricultural development; thus effectively bringing into play the initiative of all quarters and injecting new vitality into economic development. Practice proves that only by emancipating the mind can we seek truth from facts, and can we proceed from reality to be bold to and good at implementing the central principles and policies.

**Third, it is necessary to closely integrate the current situation, the laying of a foundation, and continuously enhancing the stamina for economic development.** For a comparatively long time, our region has invested little in development; and basic industries and infrastructure are rather weak, thus restricting Guangxi's economic development. While paying good attention to the current economic development, we made a great effort to develop basic industries, infrastructure, and the enterprises' technological transformation; and strengthened the development of infrastructural projects for agriculture, energy, transportation, and raw and semifinished materials. We initiated a number of large and medium-scale key development projects, including railways, high-rate highways, ports, airports, telecommunications, large and medium power stations, raw materials industries, and so forth. Some of these projects have been put into operation and are producing effects, while most are still being developed. This year, we will continue to unswervingly and unremittingly develop basic industries and infrastructural projects so that Guangxi will have a good foundation for economic development.

**Fourth, it is necessary to shift the economic work onto the track of relying on scientific and technological progress and upgrading the laborers' quality.** In recent years, we have vigorously launched education to publicize that "science and technology are the first productive forces," thus enhancing the people's awareness of science and technology's importance, and enhancing the consciousness of leaders at all levels of the need to rely on science and technology to develop the economy. All localities worked hard to integrate science, technology, and economic development; and used science and technology to promote production development. They did a great deal of work especially in technical training, technology promotion, the resolution of key technological problems, technological transformation, the introduction of advanced technical equipment, and the development of high- and new-technology industries, thus gradually enlarging the area in which farming technologies are promoted, and enhancing the technical levels of enterprises and their ability to add additional value to their products. Practice shows that only by relying on and developing science and technology can we convert the preponderance of resources into an economic preponderance and can we increase economic returns. On the whole, our region's technical level is comparatively low. Therefore, it is necessary to further strengthen the awareness of the importance of science and technology, and apply it to all economic sectors. Moreover, it is necessary to attach great importance to education, expedite the training of skilled personnel, pay attention to the introduction of skilled people, continuously upgrade the quality of laborers, and further expedite the invigoration of Guangxi's economy.

**Fifth, it is necessary to safeguard political and social stability and create a good environment for economic development.**

We consider it very important to safeguard stability and solidarity and to maintain political and social stability. We started with the broad masses education about the need to stick to the four cardinal principles and oppose bourgeois

liberalization and peaceful evolution. The entire region is politically and socially stable and there is nationality solidarity, thus creating a good environment for economic development. Practice shows that an politically and economically stable environment is an indispensable precondition for economic development. We must dearly treasure and continuously consolidate the current political situation where there is stability and solidarity and which has not come easily, bring into full play our political advantage, promptly remove all factors of instability, and ensure that our region's national economic and social development can proceed smoothly.

**Fellow deputies:** Despite the fact that we have made some progress in our various jobs and accumulated some experience over the past year, there exist many difficulties and problems at the same time, the main ones being: In agriculture, our ability to prevent and resist natural disasters is rather weak. Basic farming and water conservancy facilities have become old; agricultural output, especially grain output, is very instable. The fact that enterprises' economic returns are unsatisfactory has not been changed thoroughly. Their losses, in particular, have increased considerably. Their minds are not emancipated enough, their awareness of the importance of reform and opening up is not strong enough, and progress in foreign capital utilization is slow. Many counties and cities are faced with financial deficits. The circulation channels are not smooth enough. In some places, people still have difficulty in buying and selling commodities. Some 6 million people across the region have not yet resolved the problem of adequate food and clothing. The work style and thinking of government organs still have to be improved and strengthened. Some factors instability still exist in society; and we need to continuously adopt measures to gradually resolve these difficulties and problems.

#### Tasks for 1992

The guiding thought for the autonomous region people's government for the year is: Unswervingly and thoroughly implement the party's basic line; further emancipate the mind; be bold in practice; take a broader step in reform and opening up; promote technological progress; expedite economic development and the development of various other undertakings; and consolidate and develop the political situation where there is stability and solidarity. In keeping with this guiding thought, we have primarily set the following major indexes for our region's economic and social development: GNP increases 6 percent over 1991, industrial output value increases 8 percent, agricultural output value increases 4.2 percent, national income increases 6.1 percent, local financial revenue increases 6.3 percent, total volume of retail sales increases 12 percent, increase of retail prices is to be kept at or below 5.5 percent, foreign trade and exports volume reaches \$1 billion, and the natural population growth rate is to be kept at or below 13.24 percent. These economic development indexes should be exceeded in actual work. It is necessary to seize the good opportunity afforded at the present time to expedite economic development. It is wrong not to take a broad step when we are able to. As far as Guangxi is concerned, a low growth rate is

equivalent to making no progress, or even retrogressing. Without a considerable growth rate, it is very difficult to change Guangxi's backwardness. If so, Guangxi will fall farther and farther behind other provinces and regions and will have difficulty achieving the goal of quadrupling the GNP.

### **I. Be Devoted to Economic Work and Promote the Overall Development of Various Undertakings**

To fulfill or overfulfill the 1992 plans for national economic and social development, it is necessary to properly do the following 10 jobs:

#### **(1) Further strengthen work for agriculture and rural areas, deepen rural reform, and increase output and income.**

Further deepen rural reform; continue to stabilize the contract responsibility system on a household basis with remuneration linked to output; continuously improve the system of unified management combined with separate management; vigorously develop the socialized service system; gradually enhance the collective economic strength; and lead peasants to the way of common prosperity. Improve land contracts and contracting on various other jobs and strengthen management. Pay good attention to the development of the service network at the county, township, and village levels; pay special attention to strengthening the basic-level organizations of newly founded townships, and bring into full play their functions and roles.

As for agricultural production, it is necessary to stabilize grain production and vigorously develop diverse economic undertakings. This year, we plan to increase grain output 650,000 tonnes and increase peasants' net per-capita income 50 yuan. To achieve this, we will adopt these major measures: First, improve the basic conditions for agricultural production and focus on fighting droughts and wresting a bumper harvest. Droughts are the major disaster affecting our region's grain and agricultural production, therefore, it is necessary to make great efforts to develop farmland capital construction and water conservancy projects. We plan to increase effectively irrigated farmland 200,000 mu and restore 150,000 mu of irrigated area. Governments at all levels must increase investment in the development of water conservancy projects. It is necessary to make good preparations to prevent and fight disasters. Second, ensure the cultivated area of grain, increase its per-unit area yield, increase the double-cropping index, attach great importance to winter farmland, promote agricultural science and technology, and increase total output. We demand that the total grain sown and plowed areas across the region reach over 54.5 million mu, and ensure that this plan be implemented in every county, township, village, and household. Further rely on scientific and technological progress; promote fine fields and advanced planting techniques; properly cultivate the "three categories of fields;" launch "1-ton yield per unit area and 1,000-yuan field" activities; and make great efforts to increase per-unit area yield. Those areas whose grain output decreased considerably last year should conscientiously analyze the reasons, adopt measures, and strive for a bigger increase in output. Generally speaking, our region's summer grain output is comparatively stable. It is necessary to strive for

output increases in the first half of the year so that we will be in an active position in output increases for the entire year. Third, it is necessary to attach great importance to developmental agriculture and vigorously develop cash crops. Our emphasis is on the production of fruits, cane, tobacco, local and special products, aquatic products, and livestock. We will promote multi-form joint development. Fourth, we will vigorously develop township and town enterprises and demand that their gross output value and people's total per-capita income increase over 20 percent over last year. We insist on developing a variety of enterprises at the same time, emphasize the development of rural collective enterprises, especially those at the village level, and vigorously develop joint-stock cooperative enterprises. Fifth, we will pay good attention to forestry. We will establish the concept of large-scale forestry; bring about the integration of afforestation, forest protection, lumbering, forestry output, and chemical industries; and integrate forestry development, fruit farmland, and industry. Sixth, all trades, professions, and industries should vigorously support agriculture and conscientiously lessen the peasants' burden. Relevant departments should make proper arrangements for the supply of funds and of the means of production and ensure that they be supplied at the right time. With their minds on various aspects, such as seedling planting, plant preservation, plant disease prevention, farming automation, water conservancy, agricultural technology, farming operations and management, meteorology, and the supply and marketing of farm products, counties, townships, and villages should provide good services.

#### **(2) Readjust the structure, increase returns, and maintain rapid industrial growth.**

As for industry, we should make efforts to integrate its growth with returns, strive for a more rapid development, and make obvious progress in increasing enterprises' returns. We demand that the rate of profit and tax on the capital and that on the sales of budgetary industries be increased 1 percent, that the turnover time of circulating funds be shortened seven days, and that all-personnel labor productivity be increased 3 percent.

To integrate growth and returns, it is necessary to pay good attention to the following jobs: First, further improve large and medium state-run enterprises, and thoroughly implement the central authorities' 20 measures regarding enhancing the enterprises' vitality and our region's 10 policies. Leaders at all levels should make in-depth investigations and help enterprises resolve their specific difficulties and problems. All relevant departments should take into consideration the overall situation and promptly formulate supporting measures for improving large and medium enterprises and implement them. Large and medium enterprises should overcome their short-time behavior, make great efforts to tap their internal potential, and pay good attention to their operations. Second, it is necessary to continue to properly readjust the product mix: increase the output of highly marketable products, export products, and products that support agricultural development; control the output of products whose sale is not very good; and stop the production of unmarketable products. Step up the development of

a new generations of products, and develop new products that possess world advanced levels, local characteristics, and high added value. Strengthen production control and management; properly arrange for the supply of energy and raw and semifinished materials; increase circulating funds; and pay good attention to the transportation of important materials. Third, make great efforts to curb enterprise losses. We demand that the losses be reduced to 10 percent and the number of loss-making enterprises be reduced to 30 percent. For enterprises that have practical measures to curb losses, various departments should render vigorous support and help them overcome difficulties. For those enterprises that are hopeless unable to curb their losses, we must insist on shutting them down, suspending their operation, amalgamating them with other enterprises, or switching them to the manufacture of other products. It is necessary to implement loss-curb policies and institute a strict loss-curb responsibility system. Fourth, further strengthen enterprise management. Continue to launch the "Year of Quality, Variety, and Efficiency" campaign. Put into practice the quality responsibility system. Pay good attention to the marketing and sale of goods, and enlarge product sales to boost production. Continue to pay attention to breaking "debt chains." Carefully save energy and reduce consumption, and ensure safe production. Fifth, expedite technological progress. Procure development funds through a variety of channels and from various sources. Strengthen the integration of scientific research and production, and pay attention to the promotion and application of the results of scientific researches. Encourage staff and workers to forward rationalization proposals. Ensure that technologically advanced projects be put into operation and reach production quotas so that the overall production capacity can be formed. Sixth, while improving large and medium enterprises, expedite the development of various enterprises. Establish the concept of "large-scale industry" so that simultaneous attention will be paid to the development of large, medium, and small state-run enterprises, township and town enterprises, and collective enterprises in cities and towns. The collective enterprises in our cities and towns are very weak. Therefore, it is necessary to adopt flexible policies and widen ways to develop different industries run by peasants, businessmen, scientific institutions, and schools.

**(3) Strengthen basic industry and infrastructure and pay attention to key project construction.**

This year, the planned scale for the entire society's investment in fixed assets amounts to 9.025 billion yuan but efforts should be made to reach 10 billion yuan in the course of implementation. Efforts should also be concentrated on the 16 large and medium construction projects assigned by the state for this year and the key local projects arranged by the autonomous region. In the meantime, we must accelerate the construction of medium and small as well as the "short, general, and quick" projects [those with a rather short construction period, requiring general technology, but promising quick results]. The key to quickening the pace of construction lies in the necessity to pool funds from various

channels. Banks at all levels must conscientiously implement the State Council's banking policy toward areas inhabited by minority nationalities and try their best to increase input of loans. It is necessary to do a good job of "linking up inventory reduction with granting loans" to tap funds potential of funds, stepping up the work of "loans in lieu of allocation" and the recovery of technological transformation funds to be granted again. We must expand bonds issues to absorb society's idle funds; make active use of foreign capital, introduce funds from other provinces, and institute a fund system for capital construction; intensify projects' preliminary work by selecting a number of projects with local advantages to conduct feasibility research; and set up data banks for the projects. The work force must be organized by the autonomous region to help all localities look for prospective projects and make appropriate demonstrations and designs. In terms of project leadership, the system of division of labor with individual responsibility must continue to be practiced and persons should be specially assigned to take charge of major projects.

It is necessary to step up urban planning and construction, improve the urban investment and living environment, and fully display the functions of cities in economic construction.

**(4) Expedite the economic development of impoverished areas and do a better job of supporting the poor.**

According to the annual per capita standard of 200 kg of grain and 300 yuan net income, there are currently 6 million people in the autonomous region below the line of having enough to eat and wear, so further work to develop the economy to support the poor must be done properly in the future. We must continue to put into effect various policies for this purpose and practice the "two unchangings," i.e., the 49 impoverished counties (cities) originally designated to get support will remain unchanged; and the various preferential policies originally worked out for the impoverished counties will also be unchanged, but which should be further perfected as the situation develops.

In our autonomous region, about 4 million people who have not resolved the problem of having adequate food and clothing, are concentrated in the Dashi Shan area, distributed mainly over 210 townships (towns) in 22 counties (cities) in Baise, Hechi, Nanning, and Liuzhou Prefectures. Owing to the extremely adverse natural conditions and poor agricultural production environment, there is a low level of social advance and it is very difficult to eradicate poverty. In the Dashi Shan area, most places are inhabited by ethnic minorities in compact communities. Many were old revolutionary bases in the past and a part of it is the border area. Hence, properly developing the Dashi Shan area and supporting the poor is of great significance to strengthening national unity, solidifying frontier defenses, and stabilizing society. We must regard eradicating poverty in the Dashi Shan area like a project of storming a fortified position and take firm control of it. The principal measures are: First, enhance the laborers' quality. Priority should be given to raising the cadres and masses' cultural and technical standards. We must run the Nanning branch of the National Training Center for Impoverished Areas properly and step

up the training of leading group members at county and township levels and the backbone of the leadership in various departments directly subordinate to the counties; and set up training centers at township level to effectively train the rural technical mainstays to master techniques suitable for specialized households. We must vigorously develop the educational undertaking and expand the orientation training of qualified personnel in the Dashi Shan area. We must put a stop to marriages between close relatives, encourage good prenatal and postnatal care, and raise the population quality. Second, we must improve the basic conditions for production and life. The basic farm land area should be enlarged by building walls to protect the soil and create land; small water irrigation works should be built; afforestation should be carried out on a large scale and hillsides should be strictly closed to facilitate afforestation; the ecological environment should be improved by reducing consumption of timber and encouraging the use of marsh gas and fuel-saving stoves; and small household water tanks should be developed to solve the drinking water problem for people and animals in many ways. Highways should be constructed to improve traffic conditions. Third, build up pillar industries. Small scattered plots and low-yield land should be resolutely changed by planting fruit or other economic trees. The pillar industries should be accurately selected and every village should run one to two items properly in concentrated strength. Fourth, regarding some places in the Dashi Shan area which lack the conditions for existence, we must earnestly sum up experience and probe into possibilities of opening up new places for migration. This should be conducted, step by step, in a planned way. While laying stress on supporting the Dashi Shan area in eradicating poverty, we must also pay serious attention to similar tasks in areas inundated by reservoirs, border areas, and other impoverished villages throughout the entire region, helping the residents resolve the problem of having enough to eat and wear. Particular care should be taken to migration and placement of residents in the areas inundated with reservoir.

We must conscientiously strengthen leadership in supporting the poor. Chief leaders in the impoverished counties must personally take charge. Models should be set up at all levels comprising autonomous region, prefectures, cities, counties, townships, and villages. The practice of linking up supporting the poor with other work must continue. The research units in various departments and cities, universities, and special secondary schools, as well as enterprises, should be geared to the needs of the job and provide assistance. Funds and materials for supporting the poor should be properly managed and used and the allocation procedure should be improved to ensure the provision of funds in good time and make the best use of them. The funds distributed to our region by the state cannot be retained and diverted to other purposes and auditing reports should be made regularly concerning the results of using the funds.

**(5) Place science, technology, and education on the important strategic position.**

Science and technology are primary productive forces. We must rely on science, technology, and education to accelerate economic development. It is necessary to intensify public opinion and propaganda on science and technology, raise the awareness of science and technology in the entire society, and continue to carry out the strategy of developing the economy on the strength of scientific and technological advances. The policy toward science and technology should be further relaxed; various kinds of scientific and technological organizations at all levels should be brought fully into play; the vast number of scientific and technological personnel should be mobilized to plunge themselves into the main battlefields of economic construction, practicing service with compensation so that their legitimate income is protected. In light of the current industrial and agricultural production realities in our region, we must energetically disseminate the mature scientific and technological achievements and their supporting science and technology, organize scientific and technological development and the tackling of key tasks in science and technology, and do a good job of invigorating agriculture and industry through the application of scientific and technological advances. We should also support the poor in eradicating poverty by depending on science and technology. We must comprehensively develop superior industries and their series of products in our region, step up the construction of Guilin and Nanning new high-tech development zones, and properly conduct the experiment of "invigorating the city through application of scientific and technological progress" in Liuzhou.

We must continue to deepen reform and adjust the education structure, improve the conditions of running schools, and enhance educational quality. Efforts should be made to push forward the nine years compulsory education system for an all-round enhancement of student quality and special attention should be paid to ensuring that girls have equal opportunities in education. We must vigorously develop all kinds of vocational and technical education, giving priority to running the vocational secondary schools at county level properly. Ordinary technical secondary schools, colleges, and universities should continue to adjust the structure of specialized subjects and step up training of qualified personnel with applicable know-how. Emphasis should be laid on technical and on-the-job training in adult education and positive efforts should be made to develop preschool and special education. In the areas where people of the Zhuang nationality live in compact communities, it is necessary to practice the Zhuang language steadily and in a planned way; while popularizing the nationwide, commonly used putonghua, bilingual education should be carried out in Zhuang language schools or places where classes are conducted in the Zhuang language.

**(6) Further revitalize commodity circulation and continue to maintain basically stable prices.**

We must give full play in state-owned commercial, grain, and material supply departments, as well as supply and marketing cooperatives, to their roles as main channels and reservoirs in commodity circulation so that they can be actively involved in the market regulation and control. With

regard to the specialized industrial, agricultural, and sideline products, the circulating enterprises must sign procurement contracts with factories or peasants; they must undertake to sell those included in the contracts but are allowed to place at their disposal those excluded in the contracts. We must strive to open up rural markets, organize the supplies of industrial products in rural areas, and provide peasants with the agricultural means of production in good time. The urban commercial departments must pay attention to "shopping basket" supplies and sensitive manufactured articles for daily use. We must stick to multiple channel operation, give support and guidance to peasants getting into circulation areas, and expand the nongovernmental purchase and marketing network. Various kinds of checkpoints which do not have autonomous regional people's government must be abolished. It is necessary to cultivate and develop various forms of elementary markets, set up all sorts of wholesale markets in a planned way, and establish specialized markets in places where conditions exist. All enterprises, whether circulation or production, must form a powerful contingent of sales promoters, carry out correct encouragement policies, and practice the system of taking entire responsibility for marketing and the method whereby jobs are linked to economic results, or others. The nongovernmental trade should be further promoted. As the control on sugar operations has been relaxed, we must adapt ourselves to the change ideologically and with appropriate measures in a bid to handle the production and marketing work properly. We must continue to practice the objective responsibility system as regards price control to maintain basically stable prices. The prices of meat, vegetables, and other nonstaple foodstuffs in cities and towns must be stabilized and management of the means of agricultural production prices must be intensified. Positive attention must be paid to various trades and professions, including tourism, information, real estate, and services, and impetus given to the development of tertiary industry to enliven the economy in cities and rural areas.

**(7) Overcome financial difficulties and do banking work well**

This year, our autonomous region still faces financial difficulties. Hence, tighter arrangements should be made in respect of revenue and expenditure and no deficit budget should be made by governments at any level. We must offer support to economic development and open up financial resources with particular emphasis placed on a number of projects capable of increased production and added revenue within one year of being constructed. The work of collecting and managing taxes must be intensified, the taxation procedure must be improved, and examination of taxes must be reinforced in an attempt to safeguard tax order, prevent neglect of tax control, and the omission of tax collection. We must be determined to lead an austere life for a few years, earnestly check all sorts of nonproductive expenditure, freeze the size of administration and institutions, and exercise strict control over the social institutional purchasing power. We must continue to carry out an overhaul in the fields of finance, taxes, and prices, bring into full play the role of auditing organs, and conduct regular financial supervision and examination in order to prevent and rectify tendencies in violation of financial and economic discipline.

The banking tasks should focus on auditing working capital reserves, tap funds potential, properly handle the regulating and circulating functions, and make flexible use of credit limits to ensure that the credit scale of fixed assets and circulating funds is suited to the economic growth level of our region. We must place credit for agriculture in the dominant position, make positive loan arrangements for grain production, agricultural comprehensive development, township and town enterprises, and loans required for purchasing agricultural and sideline products. The rural credit cooperatives are allowed to accept more deposits and grant more loans as credit funds and the credit terms should be appropriately relaxed for loans organized by the rural collective economy. Banks at all levels should give enthusiastic support to the proper operation of large and medium state enterprises and, particularly, recheck and ratify enterprises' fixed circulating fund quotas to help them tap fund potential. We must also strive to develop the insurance undertakings, expand the range of risks, put stress on the proper handling of rural insurance, combine insurance with provisions for disaster relief, and institute and amplify the rural disaster compensation system.

**(8) Energetically accelerate development of various social undertakings**

We must: Work hard to create more fine works to make socialist culture prosperous; further purify the cultural market and increase cultural facilities step by step; continue to firmly control film production, issuing, and screening and incrementally expand the coverage of broadcasting and television; and properly compile publications, archives, cultural relics, literature and history, and annals. In implementing the Eighth Five-Year Plan on social sciences, we must vigorously conduct the study on major issues in theory and practice with Chinese characteristics in light of the reality. We must foster the medical and public health undertakings in the rural areas, set up and amplify the medical and health care network at three levels, and practice the cooperative medical system. We must take firm control of the founding of public health centers in new townships and towns, increase outlay appropriately, and repair the dangerous houses of the public health centers; continue to conduct the patriotic sanitation movement in cities and rural areas of the entire region; rectify urban medical order and raise service quality; carry out mass physical cultural activities in a thorough and extensive way; step up building a contingent of athletes; and enhance the level of skill competition.

**(9) Conscientiously implement basic national policies and pay continuous attention to family planning, land management, and environmental protection**

Population growth must be strictly controlled and particular stress must be placed on the family planning in rural areas. The education on population theory and national conditions must be intensified to change people's birth concepts and raise the consciousness about family planning. We must amplify organizations, conduct management according to the law, stabilize the existing population policy, practice the system of giving birth by permit, and take effective measures to check multiple births. The responsibility system on

population planning objective management should be improved, the service quality of family planning work should be raised, and social welfare undertakings should be run well. We must manage land in accordance with the law, screen and rectify the land market, and exercise strict control of land used for construction; continue to pay attention to implementing the objective responsibility system on per-capita arable land and do experimental work well in using land with compensation. We must put into effect the principle that "whoever causes pollution should be responsible for putting everything back in order," pay special attention to the practice that main projects and environmental protection facilities should be designed, constructed, and put into operation simultaneously, and set up a number of industrial pollution prevention model projects and agricultural ecological demonstration centers.

**(10) Further improve people's livelihood on the basis of economic development.**

Along with the development of production, the urban and rural residents' income must be increased incrementally. We must further carry out the construction of public facilities, including electricity, water, and gas supply, roads, communications, and culture; widely open up paths for employment; make positive arrangement for jobs; strive to control the ratio of people waiting for jobs at 3.5 percent or below in cities and towns; and, at the same time, lead the rural surplus labor in developing the range and quality of production and operation. Besides, we must continue to properly handle social relief work and give special care to disabled servicemen; preferential treatment to family members of revolutionary martyrs and servicemen; and support to the five guarantees [guarantees of food, clothing, medical care, housing, and burial expenses]. The social welfare undertakings and welfare production should be vigorously developed.

**II. Further Emancipate the Mind, Quicken Pace of Reform and Opening Up**

Revolution is aimed at emancipating the productive forces, as is reform. Without reform and opening up, there would be no way out. We must emancipate our minds to a greater degree and carry out reform and opening up even more boldly and with bigger strides. In reform and opening up, we have to run some risks and break through all sorts of obstructions. We must have the courage to make experiments and dare to pioneer a cause. The essence of socialism lies in the emancipation and development of the productive forces. Whether or not more weight is laid on planning or on market is not the essential difference between socialism and capitalism. So long as it benefits the development of productive forces of the socialist society, the increase of comprehensive national strength of the socialist country, and the enhancement of the people's living standards, we must work for it boldly and have it summarized and perfected continuously in the course of courageous exploration and enthusiastic experiments.

This year, the general requirement for reform is: In line with the state's overall deployment and the principle that everything has to go through experiments, we must focus on shifting the enterprise operational mechanism, deepen

enterprise reform, and push enterprises into markets; and in light of the outstanding conflicts in the current economic life, we must organically adopt reform measures and combine reform with development. We must resolutely implement the "Enterprise Law," conscientiously put into effect various policies and measures by the central authorities and the autonomous region on strengthening enterprise vitality; make further efforts to bring into full play the role of the party organizations as the political core; uphold and perfect the director responsibility system; and rely on the working class with heart and soul. The various items of decision-making power vested in enterprises as stipulated in the "Enterprise Law" must be implemented in enterprises in real earnest. In line with the principle of separating the functions of administration from those of enterprises and indirect control being taken as the key link, governments at all levels and various departments must reduce their direct control of enterprises' routine operation activities, intensify their macroguidance, supervision, and service toward enterprises, and lighten their burdens. Enterprises must abide by state law, carry out various principles and policies, and restrain their own conduct. While further perfecting the enterprise contract responsibility system, we must effectively carry out enterprises' internal reform, smash the "iron ricebowl," "ironclad wages," and "iron armchair [lifelong tenure]," reform enterprises' labor and employment, personnel, and distribution systems, and establish an incentive mechanism. We must improve and perfect the method with jobs linked to economic results so that the increase and decrease of total payroll is closely connected with the rise and fall of economic performance; and rationally broaden the distribution levels of laborers so that their remuneration is closely linked to their contributions. A number of enterprises should be selected as reform experimental units in various forms. The prefectures, cities, and counties with experimental tasks must strengthen their leadership and departments concerned must give full cooperation to each other to actively resolve the problems arising in the experiments. In line with the principles of laying stress on relaxation, combining relaxation with adjustment and management, and tightening regulation and control, we must step up price reform, hold fast to the structural reform experiment in grain purchase and marketing and, in circulation structural reform, practice, step by step, the "four relaxations" for the state-owned and cooperative commercial enterprises, i.e., relaxations in operation, distribution, prices, and employment. The material supply enterprises must further improve the contract responsibility system and vigorously spread the service pattern of the goods distribution and delivery system. In reform of housing system, greater progress should be made in the fields of rent increases, property sales, building houses using raised funds, instituting a housing fund and financing system, development of property market, and so on. Comprehensively coordinated reform should start from the five cities of Nanning, Liuzhou, Guilin, Wuzhou, and Beihai, and one to two counties (cities) should be selected as experimental points for comprehensively coordinated reform in each prefecture. Reform of the social insurance system should focus on practicing insurance system reform on retirement and job assignment. The experiment on the shareholding

system should be carried out energetically and the money market and securities market should be further developed and perfected to expedite the development of local financial undertakings.

It is necessary to continuously intensify awareness of opening up, unflinchingly open wider to the outside world, and boldly absorb and use as references all the advanced operation modes and management methods which reflect the law governing the modern socialized production in various countries of the world, including capitalist developed countries. We must give full play to the advantages of our region characterized by the people's good relationship and favorable geographical position, put into practice omnidirectional opening up, and manage to open up coastal and border areas simultaneously, develop foreign economic relations and trade side by side, lay equal stress on opening up internally and externally, and achieve mutual promotion of development and opening up.

First, continue to run the open cities and counties in the coastal area and along the rivers properly. We must raise funds through multiple channels to increase input for the open cities and economic development zones; further carry out the construction of basic industries and infrastructure facilities; make good, flexible, and full use of the preferential policies granted by the central authorities; being oriented to the markets at home and abroad, step up importation of advanced technology combined with internal economic association; enhance the degree and level of opening up; make utmost efforts to import new high technology; increase the appeal power and play the radiating role; and become the region's pioneers and bases in opening to the outside world. Nanning Overseas Chinese Investment Zone, Wuzhou Export Processing Zone, Beihai Qiaogang Overseas Chinese Investment and Export Processing Zone, and Rongxiang Overseas Chinese Hometown Economic Development Zone should quicken their construction rate. The entire region must actively open wider to the outside world, take full advantage of various preferential policies provided by the state, and introduce foreign-invested enterprises and those of the "three forms of import processing and compensation trade" to accelerate economic development.

Second, do a good job of opening up the border area. According to the central authorities' deployment, and in line with the principle of equality and mutual benefit, we must actively develop foreign economic and trade interchanges and economic and technological cooperation with neighboring countries. A few cities and towns with better conditions should be selected so that they may be included in the country's open "windows" and granted state preferential policies. We must lay firm hold of the border cities and towns' planning and construction and rationalize the management system.

Third, further develop foreign trade. We must actively carry out the strategy of establishing trade ties with more countries and regions and straighten out various relationships in foreign trade. While paying attention to the traditional competitive export goods for earning foreign exchange, we must vigorously increase exports of machinery and electrical appliances, textiles and other light industrial goods,

building materials, and chemical industrial products. Foreign trade departments should cooperate with production bases. It is necessary to tighten control on enterprises; reduce the costs in converting foreign exchange; continue to expand border trade; put into effect the integration of industry and trade; set up processing enterprises; and energetically develop projects by contracts for, and export of labor service to, foreign countries. In order to suit the development of border trade, it is necessary to establish and amplify border trade administrative bodies to tighten control, safeguard and support normal border trade, and to resolutely crack down on lawbreaking and criminal activities which disturb the normal order of border trade.

Fourth, make positive use of foreign capital. We must open up more channels for using foreign capital, strive to utilize more loans provided by foreign governments and preferential loans granted by international financial organs, and encourage more foreign businessmen to invest in our region; continue to improve the investment climate, make efforts to do consultancy service work properly, and raise the efficiency of project examination and approval. The management services for existing foreign-invested enterprises must be intensified and enthusiastic assistance should be given them in solving their problems and difficulties in production, circulation, and other areas.

Fifth, bring into full play the role of Overseas Chinese affairs, foreign affairs, and tourism work in opening to the outside world. We must safeguard the interests of the Overseas Chinese in accordance with the law, and arouse the enthusiasm of the Overseas Chinese living abroad, returned Overseas Chinese and their families for giving support to, and participating in, the construction of their hometowns. We must actively launch various kinds of friendship activities among them, conduct reception work conscientiously, and promote extensive contacts with overseas relatives and fellow townsmen in order to act as go-betweens for the importation of capital, technology, and talented personnel. We must earnestly implement our country's foreign policy, step up propaganda abroad, make as many friends as possible, and accelerate our exchanges and cooperation with foreign countries. Taking the activities of "1992 China Friendship and Sightseeing Year" as the motive force, we must further exploit tourism resources, expand more tourist channels, and expedite the development of tourism undertakings. We must tighten the work of customs and commodity inspection to provide good services for opening up.

Sixth, vigorously develop lateral economic association. We must pay attention to regional coordination and mutual support within and outside our autonomous region, taking special care of the various economic coordination projects with Guangdong, Hainan, and the great Southwest region.

### **III. We Must Earnestly Maintain the Situation of Unity and Stability**

We must continue work for political and social stability, and solidify and develop a stable and unified political situation in our region.

While persistently attaching equal importance to the two civilizations, we must energetically push forward the socialist spiritual civilization drive. Various localities, departments, trades, and professions must further improve their programs for spiritual civilization and organize their implementation. The vast number of cadres and masses must be organized to study Marxism, Mao Zedong Thought, and the theory of Comrade Deng Xiaoping on building socialism with Chinese characteristics. At present, we must particularly organize cadres to study Comrade Deng Xiaoping's recent remarks, comprehensively and thoroughly understand the spirit and essence of the remarks, closely integrate them with the reality, and conscientiously put them into practice. We must continue to carry out education on the party's basic line, patriotism, collectivism, the four cardinal principles, and the struggle against bourgeois liberalization; further strengthen faith in socialism and national self-confidence; continue to conduct rural socialist ideological education and education on social morality and professional ethics, transform social traditions, and establish new socialist customs; step up and improve ideological and political work; and develop a fine atmosphere of democracy, harmony, liveliness, and unity in the entire society.

The intensification of building the socialist democratic and legal system is the guarantee of developing a stable, unified, and lively political situation. Governments at all levels must continue to consciously accept the supervision of the people's congresses and their Standing Committees and persist in reporting their work to, and earnestly implement the various resolutions made by, the people's congresses and their Standing Committees. We must further strengthen contacts with the Chinese People's Political Consultative Conference [CPPCC], various democratic parties, and people's organizations, giving better play to their role in political consultation and democratic supervision; conscientiously handle the motions and proposals forwarded by people's deputies and CPPCC members, modestly listen to opinions from all quarters, and continuously improve government work and that of various departments; and incrementally institute and perfect the system of democratic involvement in government work by trade unions, the Communist Youth League, and women's federations. We must continue to conduct a thorough examination of law enforcement with the Constitution as the core and the stress on regional national autonomy law, enterprise law, and administrative procedural law; earnestly grasp propaganda and education on the legal system; properly carry out the Second Five-Year Plan on Popularizing Law; strengthen the entire nation's legal concept; and ensure that there are laws to go by, that enforcement of laws must be strict, and that violation of laws must be investigated. Departments and cadres in charge of law enforcement must perform their official duties strictly according to the law. We must: Tighten judicial administration, lawyer, and public notary work so that we can provide good legal service and protection to promote economic and social development; step up government work on the legal system and, centering around the comprehensive rural economic development, the proper operation of large and medium state enterprises and in-depth reform and opening up; formulate various rules,

regulations, and standardized documents; and make full use of legal means to regulate economic relations. Leading cadres at all levels must take the lead in studying, observing, and enforcing the law and raise their administrative and management level by compliance with the law.

We must do two types of work simultaneously: One dealing with reform and opening up and the other on cracking down on various criminal activities. Equal importance should be attached to both. In properly exercising overall control of public security, we must strike severe blows at criminal activities which seriously jeopardize social security, particularly crimes involving serious violence, gang crimes of an underworld nature, making and selling drugs and guns as well as abducting and selling women and children, and serious theft, corruption, and bribe-taking offenses. Prostitution and whoring must be strictly banned. We must step up the organizational building of mass prevention and control with public security committees as the main bodies, carry out security work in various units conscientiously, and further improve the responsibility system on control of public order. In the five cities under the region's jurisdiction, the system of joint patrol by civilians and policemen should be practiced and control of the entire society should be tightened to effectively prevent and crack down on criminal activities. We must also intensify the struggle on the covert front line, dealing resolute blows against subversive and sabotage activities by hostile forces at home and abroad; strengthen the education and training of public security police and raise the quality of the ranks of the public security, safety, and judicial administrations as a whole; earnestly step up the work of reform and education through labor; and properly handle the work of educating and enlightening people so that contradictions among the people can be resolved in good time and various destabilizing factors can be prevented and removed.

We must further strengthen and consolidate national unity to promote stable economic and social development; stick to the principle of national equality, unity, and mutual assistance to promote national solidarity, progress, and common prosperity; earnestly implement the regional national autonomy law; put into practice the guidelines of the Central Nationality Work Meeting; and take realistic measures to do nationality work well. In the new historical period, the crucial issue of strengthening and solidifying national unity is to actively create conditions to develop economic, cultural, and other undertakings for the ethnic minorities and the minority regions. In expediting our region's national economic and social development, the state's continuous support and assistance from economically relatively developed areas are extremely necessary. But, it is more important to attain prosperity and strength through self-reliance and hard struggle, further emancipate the mind, open wider to the outside world, and introduce advanced technology to be combined with internal association at multiple levels. We must pay serious attention to training cadres of minority nationalities and various types of qualified personnel. We must continue to pay due attention to the education of Marxist nationality concept and the policies toward nationalities. Cadres of various nationalities, leading cadres in particular, must set a good example in

national unity and make efforts to overcome and eliminate the factors detrimental to the national unity undertakings and progress; strengthen unity in the leading bodies, among the ranks of cadres, and between the Army and government and between the Army and the people; keep on consolidating and developing the broadest patriotic united front; and further carry out the policy concerning freedom of religious belief, tighten the control of religious affairs, and unite with personalities in the religious circles.

We must carry out thoroughgoing education on national defense, which should be conducted regularly as a system in the entire society. Emphasis should be placed on the exploration of experience and methods on national defense education among the teenagers, particularly among students and pupils in secondary and primary schools. The militia work and the building of reserve troops must be strengthened to give full play to their backbone role in economic construction, safeguarding public security, emergency rescue, and the provision of disaster relief. We must support the Army and give preferential treatment to families of revolutionary army personnel and martyrs and support the government and cherish the people in a down-to-earth manner; make proper arrangements for demobilized soldiers and those transferred to civilian work as well as retired cadres and those having stepped down from their posts; and continue to conduct activities on the civilization jointly built by the Army (police) and the people.

#### **IV. We Must Strengthen the Building of an Honest and Diligent Government, and Improve the Government Work Style**

Governments at all levels must regard building an honest and diligent government as an important event and, in the entire course of reform and opening up, unswervingly fight against corruption. This should be focused on prevention, strict education and control, sound rules and regulations, and intensified supervision and examination. In the struggle against corruption, we must take care to draw a clear distinction and, based on facts and using the law as a yardstick, punish criminal offenses in accordance with the law. It is necessary to keep on controlling the "three arbitrary's" [arbitrary collection of charges, arbitrary imposition of fines, and arbitrary financial apportioning] and rectifying the malpractices in trades and professions. Leading cadres should act as models in building an honest and diligent government.

Doing practical work makes a nation prosperous, while talking empty words ruins a country. If China wants to be prosperous and powerful and Guangxi wants to flourish, they cannot but rely on self-reliance and hard struggle. Now that the major strategic policies have been worked out and objectives have been set, the most important thing is to carry them out with great efforts. This year, the people's government of the autonomous region, governments at all levels, and various departments must conscientiously change their style to ensure the implementation of various fields of endeavor in a solid and realistic manner. Formalism is another expression of bureaucracy. We must take a practical approach to our work, strive to be acquainted with real conditions, speak the truth, do practical things,

and seek actual results. We must go deep into grass-roots units, conduct investigation and study, grasp principal contradictions, and solve practical problems. Instead of talking a lot and doing little, we must work assiduously and handle real business for the masses. The practice of reporting only good news and holding back ill tidings should be avoided and the principle of seeking truth from facts to reflect conditions and settle problems should be upheld. We must not put on airs, indulge in formalism, and become bent on doing superficial work. The autonomous regional government should take the lead in resolutely cutting down on and simplifying meetings and documents by holding short meetings, making short speeches, and writing short articles. Reform on ribbon-cutting, foundation stone laying, and award presenting ceremonies should be carried out to reduce the excessive routine activities of leading cadres. Government organs at all levels should raise their work efficiency to better service grass-roots units.

Fellow deputies! The development of events, the people's expectations, and the central authorities' requirements place even heavier responsibilities on our shoulders. Therefore, we are required to emancipate our minds to a greater degree and take bigger strides in reform and opening up on the road of building socialism with Chinese characteristics. We must be bold in exploring and pioneering anything so as long it is beneficial to developing the socialist productive forces, increasing our national power, and enhancing the people's living standards. At present, as domestic conditions are ripe and the international climate is favorable, we must: Treasure the current opportune moment; closely rally around the CPC Central Committee with Comrade Jiang Zemin at the core; unflinchingly implement the party's general line; work together with one heart and one mind to boost the economic construction as quickly as possible; carry out all fields of endeavor in Guangxi in an even better way; and score brilliant achievements to greet the opening of the 14th CPC National Congress.

#### **Heilongjiang Government Work Report**

*SK1005055892 Harbin HEILONGJIANG RIBAO  
in Chinese 10 Mar 92 pp 1, 3*

[Heilongjiang Government work report delivered by Governor Shao Qihui at the fifth session of the seventh provincial people's congress on 2 March]

[Text] Deputies:

On behalf of the provincial people's government, I now give a government work report to this session for its examination and discussion.

#### **1. The Work of 1991**

The year 1991 was the first year for implementing the 10-year program and Eighth Five-Year Plan for economic and social development. In the past year, under the leadership of the party Central Committee, the State Council, and the provincial party committee, with the supervision and support of the provincial people's congress and its Standing Committee and the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], and with the assistance of various democratic parties and mass

organizations, the provincial government organized the people of various nationalities throughout the province to adhere to the party's basic line consisting of "one central task and two basic points," conscientiously implement the guidelines of the seventh plenary session of the 13th party Central Committee, the central work conference, the seventh plenary session of the sixth provincial party committee, and the enlarged meeting of the provincial party committee, emancipate their mind continuously, deepen reform, open wider to the outside world, and actively conduct the activities of the "Quality, Variety, and Efficiency Year" with the focus on improving economic efficiency, the emphasis on encouraging demand, opening up the market, and enlivening the use of funds, and the major purpose on developing the province through the application of science and technology. As a result, it promoted steady economic and social development and attained the various targets set forth early that year. The annual total product of society was 151.844 billion yuan, up 4.2 percent from the preceding year; agricultural output value 24.23 billion yuan, down 1.0 percent but registering an increase of 4.8 percent in the total product of rural areas; industrial output value totaled 97.966 billion yuan, up 5.0 percent; GNP 70.109 billion yuan, up 4.0 percent; national income 63.047 billion yuan, up 3.1 percent; revenue 7.81 billion yuan, up 1.7 percent in terms of comparable standards; volume of retail sales 38.85 billion yuan, up 13.9 percent; the retail price rise was 6.5 percent; the volume of exports was \$1.38 billion, up 25.3 percent; and the investment of the entire society in fixed assets was 18.879 billion yuan, up 18.2 percent. Other undertakings also made new headway.

A bumper harvest was won in agriculture, and the county economy developed in a healthy manner. Faced with serious waterlogging and floods last year, governments at all levels mobilized and organized the people throughout the province to combat the disasters bravely. Thanks to the unity between army men and civilians in combating the disasters, a great victory was won in the antiflood and relief work and in helping ourselves. Grain production was the second highest, with output totaling 21.643 billion kg, which was 8.2 percentage points higher than the target defined early that year. The output of major cash crops remained by and large the same as in the preceding year. Construction of the marketable grain base to produce 5 billion kg of grain in the reclamation area was started. New progress was achieved in comprehensive agricultural development. The work to eliminate the crises in forestry was intensified, the afforestation plan was overfulfilled, and the consumption and development of forest resources remained by and large balanced. The output of major animal products and aquatic products showed an all-around increase. The output value of township enterprises grew by 13.2 percent from the preceding year.

The county economy began to develop in a healthy manner on the road of coordinating grain and animal husbandry development with township enterprise development, coordinating industry and agriculture with trade, integrating agriculture, science and technology, and education, and integrating the urban economy with the rural economy. The work to help the poor eliminate poverty made new headway.

Twenty departments and bureaus directly under the province helped eight impoverished counties develop more than 100 capital construction and technical transformation projects, thus increasing the per-capita income of their peasants from 296 yuan in the preceding year to 387 yuan.

Industrial production steadily increased and initial achievements were made in structural readjustment. The provincial party committee and the provincial government started with improving the external environment of enterprises and strengthening the internal management of enterprises, focused on enlivening state-owned large and medium-sized enterprises, attended to linking production with marketing, comprehensively promoted the enlivening of industries with science and technology, further readjusted structures, increased economic results, and promoted the stable increase in industrial production. The profits and taxes realized by the independent budgetary industrial enterprises at or above the county level reached 6.91 billion yuan, an increase of 7.6 percent over the previous year. A total of 70 new energy-saving, quality-improving, and consumption-reducing techniques were popularized, 89 contracts and agreements on transferring the possession of technological findings were signed, 112 famous-brand products were introduced, 1,626 new products were developed, and more than 8,000 varieties were added. At the time of improving state-owned large and medium-sized enterprises, the province steadily improved and developed state-owned small-sized enterprises, collective enterprises, town and township enterprises, enterprises involving foreign capital, and individual and private enterprises. On the premise of controlling the scale of investment in fixed assets, we reasonably readjusted the investment structure and gave priority to arranging the projects producing great impact on the national economy, the on-going projects with good economic results, and some auxiliary projects. Of the investment in capital construction of state units, the investment in energy industry increased 15.2 percent over the preceding year, that in transportation and postal and telecommunications trade increased by 30.8 percent, and that in agriculture rose by 6.2 percent. Reserve strength for economic development increased.

The market continued to be brisk and goods prices were basically stable. All localities throughout the province positively deepened the reform of the circulation system, vigorously pioneered markets, and reduced the stockpiling of products to promote sales. Thus, the market "slump" was alleviated and the overall social demand tended to increase. The retail sales of commodities were brisk and the supervision over quality and technology was strengthened. On the premise of ensuring the basic stability of goods prices, we reasonably readjusted the prices of more than 100 varieties of products. Some 3.5 billion yuan were involved in the readjustment of goods prices. With effective measures, there was no great market fluctuation.

Local revenues increased slightly and the financial situation was relatively stable. The local revenues increased by 1.7 percent and the local expenditures increased by 4.2 percent. Before straightening out the final accounts, the balance between revenues and expenditures totaled 220 million

yuan. The financial departments did a lot of work in collecting funds, optimizing increment, enlivening the existing funds, clearing up "debt chains," and supporting the implementation of the strategy for rejuvenating the province with science and technology. Thus, economic development was promoted. By the end of 1991, the savings deposits in banks across the province totaled 55.29 billion yuan and loans granted by the banks totaled 81.47 billion yuan, respectively showing an increase of 24.2 percent and 23.2 percent. The insurance business was further developed, played a key role in providing relief to the disaster-hit areas and helping them rebuild their hometown, and provided a necessary guarantee for stabilizing the economy and society.

Reform was ceaselessly deepened, the pace of opening to the outside world was accelerated, enterprise reform was further promoted and the external environment of enterprises was further improved. The province shifted the focal points of enterprise reform from delegating powers and conceding benefits to enterprises to transforming the enterprise managerial mechanism. The campaign of "improving quality and attaining targets" continued to develop in depth. The work linking the two rounds of contracts progressed smoothly. By the end of last year, 98 percent of the industrial enterprises and 85 percent of the state-owned large and medium-sized circulation enterprises signed their second round of contracts. Appropriate progress was made in organizing and developing enterprise associations. The system of contracted responsibility on the rural household basis with payment linked to output was ceaselessly improved and the system of linking centralized management with decentralized management was strengthened. The housing system reform was expanded from experimental exploration to overall implementation. New breakthroughs were made in land use system reform. Social insurance system reform was popularized on a large scale. Positive achievements were made in reforming the foreign trade system and the circulation system. New progress was made in markets.

The pace of opening to the outside world was accelerated further. Last year, despite the tremendous changes taking place in the international situation, our province still made a breakthrough in trade and economic and technological cooperation with foreign countries and regions. Tremendous success was achieved in the "Trade Talks with the Soviet Union and East Europe," with the total transaction volume reaching \$2.68 billion, of which, the transaction volume of the province was \$2.32 billion. Obvious results were achieved in import and export trade. The province's volume of import and export was \$1.99 billion, up by 33.7 percent over the previous year. Of this, imports and exports in the border trade with the Soviet Union was \$380 million, up by 92 percent. The pace of utilization of foreign funds was accelerated. Over the whole year, the province approved 202 projects directly invested by foreign traders, with the foreign investment reaching \$106 million, up by 250 percent over the previous year. Construction of Heihe's and Suifenhe's zones opening to Russia was begun, Heihe city's people-to-people and city-to-city trade was open already, and construction of the Harbin new hi-tech industrial development zone and economic development zone

was started in a comprehensive way. New progress was made in lateral economic cooperation. Income from tourism increased.

The strategic position of scientific and technological education was further strengthened, and various social undertakings developed in an all-around way. The campaign of invigorating the province through scientific and technological means was launched comprehensively. The province's appropriations for operating scientific undertakings went up by 15.8 percent over the previous year. The policies for encouraging scientific and technological talents to enter the main economic battlefield was becoming more perfect with each passing day. Relatively great headway was made in application and popularization of scientific and technological achievements. In 1991, the province emphatically popularized 37 technologies applicable to agriculture and 134 new technologies of various kinds. The people's sense of science and technology was enhanced greatly, and the idea of "science and technology being the primary productive force" struck root in the hearts of the people deeper and deeper. New progress was made in the research of basic science and the science of policymaking.

Principles regarding education were further implemented, moral education strengthened, educational quality improved, and the conditions for running schools improved. Two thirds of primary schools and 30 percent of junior middle schools in the province basically reached the level of standardized schools. The rate of illiteracy among the province's rural youths and middle-aged persons dropped to 3.7 percent, the general level of scientific farming among peasants was enhanced, and the mechanism of combining and overall planning for agriculture, science, and education took shape.

Fruitful results were scored in cultural work. A large number of excellent literary and art works and talents came to the fore, which won prizes on many occasions at national transfer performances, joint performances, and itinerant performances, and which garnered favorable comment from various fields. Mass cultural activities developed vigorously. Sports events developed further. In 1991, the province's skillful sportsmen won 43.5 gold medals, 42.5 silver medals, and 49 bronze medals at large-scale domestic and international contests. The province successfully sponsored the seventh national winter games. Mass sports activities were popularized further. Broadcasting and television undertakings witnessed considerable progress, and a number of excellent radio and television programs won prizes at national competitions. New achievements were scored in press, publication, films, books, cultural relics, files management, and compiling of local history.

New headway was made in public health and health care undertakings, the patriotic public health campaign was launched in a penetrating and realistic manner, and the people's health level was enhanced somewhat. Family planning was strengthened continuously. The province's birth-rate and natural population growth rate were controlled within 15.89 per thousand and 10.19 per thousand respectively, 2.3 and 2.48 permillage point lower than those at the beginning of 1991.

The work related to foreign affairs, civil administration, nationalities, overseas affairs, religion, environmental protection, and meteorology was all strengthened. Power, post and telecommunications, railway, civil aviation, commodity examination, and custom departments played an important role in supporting the province's economic construction.

Democracy and the legal system were strengthened, and public security was further improved. Governments at all levels further enhanced their awareness in subjecting themselves to the supervision of people's congresses and their Standing Committees, conscientiously implemented the resolutions of people's congresses and their Standing Committees, and reported their work to them in a timely manner. They took the initiative in strengthening ties with the CPPCC, democratic parties, the federation of industry and commerce, and personages without party affiliation, informed them of the situation in a timely manner, and accepted their opinions and suggestions. The 477 suggestions put forward by people's deputies and the 522 proposals put forward by CPPCC members were all settled. Governments at all levels maintained close ties with trade unions, the Communist Youth League [CYL], women's federations, science and technology associations, and other mass organizations, thus making their policymaking more scientific and democratic. Statistics, information, consultation, and research played an important role in governments' policymaking. Grass-roots political power made headway, and the systems of villagers' (neighborhood people's) meetings and village (neighborhood) representatives' meetings were improved. The legal system was further strengthened. We carried out the legislative work focusing on economic construction, reform and opening up, and defending of stability and coordinated with the provincial people's congress to supervise and inspect the enforcement of nine laws and regulations. The second five-year plan for education on the laws was implemented comprehensively. The overall battle to safeguard public security was carried out in a thorough manner, the state security work was further strengthened, and the "antitheft" struggle and the struggle to "eliminate six vices" achieved great results. Despite the turbulent international situation, we maintained a stable and united political situation in the province.

Urban people's income increased, and the living quality of urban and rural people improved. Thanks to the economic upturn and the various reform measures being put in place, urban people's income showed an increase. Total wages for staff members and workers throughout the province was 17.54 billion yuan, up 14.1 percent from the preceding year. The per-capita income in rural areas showed a decline of about 3 percent due to large disaster-afflicted areas and the irrational economic structure. Urban and rural people's material life was rich and colorful, and their living quality improved substantially. In the whole year, jobs were arranged for 238,000 persons, and the employment situation remained stable. Urban and rural construction and public utilities in urban and rural areas developed substantially.

We stepped up efforts to build a clean government and achieved improvement in government work styles.

Attending to "reform and opening up on the one hand and punishment for corruption on the other," governments at all levels made conscientious efforts to correct unhealthy trends in various trades, enforced the responsibility system for maintaining honesty, and investigated and handled a group of law and discipline breaches. We paid attention to solving the problem of "being strong in one task and weak in another," intensified the building of the socialist spiritual civilization, and continued the activities of "satisfying the grass-roots levels." The work styles of government organs were changed. We persistently enforced the system of responsibility for government work targets, turned the 12 work focuses defined by the provincial party committee and the various decisions adopted at the fourth session of the seventh provincial people's congress into specific tasks of the government, assigned these tasks to various departments, defined the principles, measures, and time limit for fulfilling these tasks, and conducted inspections on their implementation on a regular basis. In this way, we ensured that the various work for the province's economic and social development reached predetermined goals.

The aforementioned achievements in the province's reform and construction won in the past year were attributed mainly to the efforts to unswervingly implement the party's basic line and conscientiously carry out correct policy decisions and arrangements of the provincial party committee and were a result of the concerted efforts of the people of various nationalities throughout the province. On behalf of the Heilongjiang Provincial People's Government, I now extend heartfelt gratitude to the masses of workers, peasants, intellectuals, commanders and soldiers of the Liberation Army, commanders and soldiers of the armed police force, public security cadres and policemen, militiamen, and cadres and people on all fronts throughout the province, to Taiwan, Hong Kong, and Macao compatriots and Overseas Chinese who had made contributions to Heilongjiang, and to all domestic and foreign friends who had supported the various undertakings of the province.

While reviewing the 1991 work, we recognized that there were some difficulties in economic and social development as well as some government work problems. The major indicators were that the deep-layered contradictions affecting the economic work for a long period of time were not eliminated, new situations in economic operation emerged, the overall industrial production increased, the economic results of the local budgetary industrial enterprises were reduced, the increase in the dwellers' income did not bring about an increase in market sales, the big expansion of the credit scale did not smoothly promote production, the stockpiling of finished products increased, and new debt defaults emerged following the clean-up of the old ones. Governments failed to bring their overall functions into play. The phenomena of each unit acting on its own and wantonly adding burdens to enterprises and peasants frequently took place. The government organs still had to improve their work style and work efficiency and to further improve administrative honesty. Besides some objective and historical reasons, the main reasons for causing the aforementioned problems were that some government leaders failed to emancipate the mind, did not have the

strong awareness of reform and opening up or a strong sense of doing pioneering work and forging ahead, lacked creativeness in implementing the policy decisions of the central authorities and the provincial party committee, did not go deep to reality to conduct investigation and study, indulged themselves in dealing with "mountains of documents" and attending "loads of meetings, were busy in their routine work, made more work arrangements but less investigations, and failed in doing work in many spheres." We should conscientiously study and adopt effective measures to conscientiously solve the problems in these aspects.

## 2. The Major Tasks of 1992

The year 1992 is the second year to implement the Eighth Five-Year Plan and the 10-year plan. By improving the economic environment and rectifying the economic order in the past three years, the national economy tends to develop along a good orientation; the major targets for economic, political, and social stability have been attained; and the economic and social undertakings will enter a new stage of sustained, stable, and harmonious development. Under the changing international situation, we should continuously do our jobs well, work wholeheartedly to promote economic construction, and take uniting with and guiding the people to march toward the target of becoming fairly well-off as the ultimate political task as well as the banner of guiding the work in all spheres. The eighth (enlarged) plenary session of the sixth provincial party committee was held at the end of last year. The session defined the ideology for guiding the work of 1992. That is, we should comprehensively persist in the basic line of the party, give full scope to the political advantages, firmly rely on the masses, vigorously promote reform and opening up, unswervingly take the road of rejuvenating the province with science and education, and strive to make breakthroughs in readjusting structures and increasing economic results.

In the new year, the provincial government should unite with the people of various nationalities across the province, persistently carry out the reform and open policy, further emancipate the mind, be more daring, speed up the pace of reform and opening up, firmly attend to the 12 key tasks with wide ranges of work involved in line with the guiding ideology and the work concepts of the provincial party committee, continue to make key breakthroughs, promote the work in all spheres, and make new strides in the course of striving to become fairly well-off. We should grasp the favorable opportunity of striking a balance between overall demand and overall supply, and bring the economic work into the orbit of readjusting the structures and increasing the economic results in a timely manner. We should grasp the favorable opportunity when the political, economic, and social situation is stable and the people's mental and economic earning capacity has been strengthened to appropriately expand the extent of reform and the scale of opening to the outside world and grasp the opportunity when the concept that science and technology are primary productive forces has taken root in the hearts of the people to implement in a timely way the strategy of enlivening the province with science and education.

The major goals for the provincial economy in 1992 are to effect a 6-percent increase in the GNP, a 4.8-percent increase in the national income, a 4.2-percent increase in financial revenues, a 13.2-percent increase in the total value of commodity retail sales, and a 3.6-percent increase in export volume. In addition, the margin of increase for the general level of retail prices should not surpass 8 percent.

To fulfill the aforementioned tasks and goals, the provincial government should attend to the following 13 items of work in a down-to-earth manner.

A. We should make great efforts to establish an economic target assessment system and an overall environment which are conducive to improving economic efficiency and readjusting structure in order to accelerate the shift of economic work emphasis.

Beginning this year, we should change ideas and concepts and change the economic and planning target assessment system which simply stresses output value and growth rate. We should strengthen the concept of efficiency and establish a target assessment system stressing economic efficiency. By giving prominence to efficiency, this new target assessment system itself also includes the demands on the growth rate of the scale and output of readily marketable products. Instead of excluding growth rate, this new system uses the growth rate targets of the GNP, the national income, and the industrial increase value calculated after deducting materials consumption, which is in common use in the world, to replace the output value and growth rate targets. The new industrial target assessment system regards the income from sales, the profit- and tax-yielding rate of funds, the turnover period of floating funds, and the per-capita labor productivity of enterprises as the main content. With the introduction of the new assessment system as the turning point, we should strive to thoroughly effect a change in the guiding ideology and direction of economic work. When governments at all levels make an analysis of the economic situation and give instructions about economic work, when the departments in charge of economic work at all levels transmit quotas to lower levels, make arrangements for production, and assess the grades of enterprises, when statistical departments at all levels make public the economic development targets and decide the status of prefectures, cities, and enterprises, when personnel departments assess the achievements of cadres, when press and propaganda departments publicize the situation of enterprises and the economy, and when labor and wage departments examine and decide distribution programs, they all should regard the efficiency target assessment system as the basis and should gradually orient the practical work to the orbit which stresses on efficiency.

B. We should change the operating mechanism of enterprises and pay attention to running large and medium-sized enterprises in order to promote the steady growth of industrial production.

Focusing on improving economic efficiency, on changing enterprises' operating mechanisms, and on successfully running large and medium-sized enterprises, we should continue to launch the activity for the year, "stressing quality,

variety, and efficiency," should positively readjust industrial structure, should improve enterprise management, should vigorously promote technological progress, should accelerate the upgrading and updating of products, and should speed up the development of new products. They are the major tasks for the industrial and communications front this year.

We should strive to run large and medium-sized enterprises well. To successfully implement the guidelines of the provincial working conference on successfully running large and medium-sized enterprises, governments at all levels and their subordinate departments should resolutely execute the "enterprise law," separate government administration from enterprise management, and truly delegate the powers, that should have been delegated, to enterprises. We should comprehensively popularize Jixi's experience in enhancing the grade and attaining the target and should perfect the contract management system. We should continue to check unauthorized collection of service charges, fines, and financial levies. We should be resolute in correcting the problems concerning the excessive inspections, appraisals, and meetings. We should also implement, in an even better manner, the various policies of the central and the provincial authorities on invigorating large and medium-sized enterprises to create a fine external environment for enterprises. We should actually change the internal operating mechanism of enterprises. All enterprises should embrace the concept of market and the sense of competition, resolutely eliminate the "iron rice bowl," "iron armchair," and "ironclad wages," and select some enterprises to conduct experiments this year. They should accelerate the experiment on special enterprises and on the bankruptcy of enterprises. They should select some enterprises to operate in the way the three types of foreign-funded enterprises do. They should conduct exploration on the shareholding system, the development of the export-oriented economy, and the management of enterprises in line with international practice. They should step up establishment of the social security system and gradually build a competition mechanism under which the superior succeeds and the inferior is eliminated. Through supporting reforms and measures to bring about comprehensive improvement, they should establish the mechanisms under which cadres can be promoted or demoted, workers can be employed or dismissed, wages can be increased or reduced, and organizations can be established or abolished as required so that they will gradually become business entities that are managed independently, responsible for their own profits and losses, and geared to the market. While improving large and medium-sized enterprises, we should exert efforts to make small and medium-sized state enterprises successful and actively develop urban collective enterprises, the three types of foreign-funded enterprises, private enterprises, and individual enterprises.

We should give prominence to the restructuring of industry, continue to speed up the construction of basic industries and infrastructural facilities, and actively develop new industries. We should be determined to adjust the product mix and, based on the industrial policy and market demand, classify various categories of products to ensure the production of some and reduce others. We should adjust the

organizational structure of enterprises by closing them down, merging them, suspending their production, and changing their production lines and develop enterprise groups led by manufacturers of brand-name and good-quality products to promote the optimal organization of the essential elements for production.

We should greatly facilitate the "development of industry through science and technology." Focusing on accelerating their technical transformation and establishing a mechanism for technological advances, all enterprises should regard relying on technological advances as the key link of all their work to increase the competitive edges and market coverage of their products. Proceeding from the requirement for establishing and improving the mechanism for technological advances, governments at all levels and departments concerned should formulate corresponding policies, give different guidance to different enterprises, and encourage them to carry out technical transformation and technical innovation. To increase the resources of funds for the technical transformation of enterprises, we will continue to reduce the funds tied up in stockpiled goods and link technical transformation to the issuance of loans. Finance departments will establish interest discount funds for technical transformation, and a part of the provincial-level foreign exchange reserve will be set aside as special funds for technology import projects. Such preferential policies as granting enterprises a reduction of income tax and profits to be delivered to higher authorities will be adopted when they use their own funds to carry out technical transformation. We should greatly encourage scientific research units and colleges and universities to cooperate with enterprises in tackling technical difficulties and development so that scientific research achievements can be turned into real productive forces at an early date. Large enterprises and enterprise groups should establish their own scientific and technological development centers.

C. We should continue to strengthen the fundamental position of agriculture and develop the rural economy in all sectors.

Based on the guidelines of the eighth plenary session of the party Central Committee and the eighth (enlarged) plenary session of the sixth provincial party committee, this year's agriculture and rural work should be developed in such a way that the following work is emphasized.

Focusing on improving efficiency, we should actively adjust the rural production structure. In restructuring farming, we should aim at increasing the per-unit yield and total output of grain and achieving fairly high efficiency in cash crops. Regarding the proportions of various grain crops, we should conduct adjustment in line with specific local conditions, market demand, and comparable efficiency. This year, the areas sown to grain, soybeans, and tubers should be stabilized at 110 million mu, and their output should reach 21 billion kg. Cash crops should be planted persistently in line with their marketing. We should arrange the acreage of silage according to need. We should accelerate the development of animal husbandry and turn it into a pillar industry as soon as possible. We should actively develop township enterprises and make great efforts to organize urban trades

and professions and enterprises to support township enterprises with technology, trained personnel, and funds and to spread their projects and products to township enterprises. We should further develop the rural cottage economy. We should positively develop agriculture, the local fruit industry, and the forage processing industry to increase foreign exchange earnings. It is necessary to speed up the development of afforestation and tree planting, strengthen forest protection and fire control work, as well as, the prevention of plant diseases and insect pests, further implement the project for eliminating forest crisis and invigorating forest reserves, and bridge over the "two crises" in forestry as soon as possible. In line with actual conditions, we should accelerate the pace of developing fisheries, sideline occupations, and tertiary industries.

We should take the setup of the mechanism for developing agriculture, science, and education in a unified manner as a breakthrough point to deeply rejuvenate agriculture with science and technology. We should conduct the work on a trial basis among 10 counties and 100 townships, ensure breakthroughs in these key areas, and gradually promote the work in all areas by drawing upon the experience gained at these experimental areas. Agricultural, scientific and technological, and educational departments should make concerted efforts, assume their own responsibility, and bring their cohesive forces into full play.

We should enhance the disaster combating capacity to set up a stable and reliable mechanism for input in water conservancy projects, and realistically strengthen the construction of water conservancy infrastructural facilities. We should conscientiously implement the provincial government's "decision on several issues relating to strengthening the construction of water conservancy projects." This year, we should prominently attend to repairing the projects damaged by the floods to ensure production for the year. On the focal point of water conservancy construction, we should develop, in a step-by-step and well-planned manner, water resources and drought-fighting, flood-control, drainage, and irrigation projects mainly along Songhua Jiang and Nen Jiang; build water conservancy projects and hydropower plants mainly along Heilong Jiang and Mudan Jiang; and develop water and soil conservation projects mainly on mountainous and hilly areas and windy and dusty areas. We should continue to launch the "Heilong-cup," "Tieniu-cup," and "fixed-quota fertilizer cultivation" campaigns and strive to ceaselessly improve agricultural production conditions.

We should comprehensively develop agriculture mainly on Sanjiang and Songnen plains and in poverty-stricken areas. In regard to the development of Sanjiang and Songnen plains, we should focus on upgrading their overall agricultural production capacity, transforming low- and middle-yield farmland, and expanding paddy fields and promote the overall development of agriculture, forestry, animal husbandry, side occupation, and fisheries persistently according to different actual conditions. We should achieve the construction of commodity grain production bases in state farms and adopt overall policy, input, management, and service measures to build state farms into bases with an

annual production capacity of 5 billion-kg commodity grain and 500,000 head of milk cows.

We should collect funds from various channels and adopt appropriate preferential policies to increase the input to agriculture. It is necessary to further improve the investment system with the state, the collectives, and the peasants involved. Financial departments at various levels should maintain the level of last year in regard to the input to agriculture and strive to have an increase. We should further run rural cooperation funds, guide the peasants to increase the input to agriculture, and increase labor accumulation to make up for the deficiency in investment. On the basis of maintaining the overall increase in rural credits, we should further optimize the investment structure to suit the demand of structural readjustment. Financial departments should pay attention to the orientation of investment and organize and guide increasingly more investment in agricultural development. We should strive to reduce the burden of the peasants and stop all unlawful charges.

We should stabilize the system of contracted responsibility on a household basis with payment linked to output, continue to improve the system of linking centralized management with decentralized management, positively develop the rural socialized service system, gradually expand the collective sector of the economy, continue to protect and mobilize the enthusiasm of the peasants, and guide the peasants to embark on the path of seeking common wealth.

D. We should positively and steadily promote the coordination of grain, animal husbandry, and enterprises; of trade, industry, and agriculture; of agriculture, science, and education; and of urban and rural areas; and strive to develop the county-level economy.

The provincial party committee decided to focus the development of the local economy on enlivening the county-level economy and also regard the coordination in these four aspects as the basic way for enlivening the county-level economy.

To implement this policy decision of the provincial party committee, governments at all levels should adjust the production structure of rural areas with an end to develop county and township commodity economies and achieve a fairly comfortable life and should continue to stabilize grain production, promote animal husbandry, and greatly develop township enterprises to facilitate the coordinated development of grain production, animal husbandry, and township enterprises. Starting with the work to enliven circulation, every county should establish and improve at least one or two leading enterprises within this year which have thousands of households as their first workshops and which are of a considerable scale to coordinate production, processing, and marketing; bring about a steady upturn in the rural commodity economy; and develop trade, industry, and agriculture in a coordinated manner. Relying on science and technology and education, we should comprehensively improve the quality of laborers, further commercialize and modernize the rural economy, and facilitate the coordinated development of agriculture, science and technology, and education. By spreading products, exchanging personnel,

and supplementing one another with our own advantages, we should establish close ties between urban and rural economies to promote their coordinated development.

To facilitate the aforementioned coordinated development in four areas, we should be active but should also refrain from impatience for success. We should give full play to the leading role of counties when facilitating coordinated development. The province as well as cities (prefectures) should further expand the county-level administrative power and strengthen the function of county-level governments to assume overall responsibility for the entire economy. Organs established in counties and townships by the departments whose "three powers" are in the hands of higher authorities should correctly handle the relationship between different departments and different regions, coordinate their responsibility to departments with that to regions, actively support local economic development, and take the initiative in soliciting the opinions of the counties and townships where they are stationed when they transfer, appoint, or dismiss cadres.

We should regard the endeavor of helping poverty-stricken localities rid themselves of subsidies as an important part of the work to support the development of the county economy. The measures for the departments and bureaus directly under the province to be responsible for supporting the designated poverty-stricken counties and for Harbin and Daqing cities to help poverty-stricken counties should be continued. Other preferential policies of the provincial party committee and government for helping poverty-stricken localities rid themselves of subsidies should remain unchanged and should be improved continuously. This year, we should concentrate efforts on solving the food and clothing problems of poverty-stricken localities and households and should strive to make the revenue growth rate of poverty-stricken counties higher than the provincial average. We should make conscientious efforts to resolve the difficulties and problems in the production and life of the localities and households heavily hit by disasters.

E. We should strive to enliven circulation and promote steady economic development.

Impeded circulation remains an important factor affecting Heilongjiang's economic development. Governments at all levels should enhance their understanding of the position and role of commodity circulation and attach importance to it as they do to production. With the aim to eliminate the difficulties in selling farm products and the abnormal stockpiles of industrial products, we should bring the relationship between production, transportation, and marketing into better balance, unclog and open up the channels for circulation, and cultivate the market to ensure the unimpeded process of production.

To solve the problem of impeded circulation, we should start with the link of production. All production enterprises and producers should embrace the concept of market, develop the production of readily marketable products with the guidance of market demand, promote production through marketing, prevent new stockpiles of goods, and strive to reduce by more than 10 percent the stockpiled

products and manufactured goods worth more than 10 billion yuan of enterprises at and above the county level which exercise independent accounting throughout the province. We should provide great support for enterprises to develop brand-name products, protect the legal rights and interests of these products and the enterprises which produce them, and expand the coverage of such products in the market. Technological supervision departments should strengthen supervision and control for the purpose of improving product quality and increasing the competitive edge of our province's products.

We should break blockade and eliminate barriers to ensure that the goods are freely distributed to the consumers. No localities or departments are allowed to interfere in the implementation of the state plans and in the legal management by the circulation departments. Unnecessary organizations should be abolished and all arbitrary examination, imposition of fines, and confiscations should be banned. We should conscientiously implement the "State Council's Circular on Further Enlivening the Circulation of Farm Products" and the provincial government program for enlivening the circulation of farm products and solve the problems relating to purchasing and marketing farm and sideline products, particularly grain and hogs. State-owned commercial, foreign trade enterprises, farm product processing enterprises, agricultural, animal husbandry, and aquatic products industrial enterprises, and town and township enterprises are allowed to break the barriers between various regions, between various trades, and between various sectors of the economy and organize forces to join various forms of cooperative management. The rural collectively-owned economic organizations, the specialized economic cooperatives, and the peasants are allowed to enter the rural and urban circulation spheres through various channels. We should provide farm product marketing areas for the peasants who are engaged in the distribution of farm products in the urban areas and make things convenient for them. Individual industrial and commercial households and private enterprises are allowed to wholesale and distribute the products whose management is decontrolled.

State-owned and cooperative commercial enterprises, foreign trade departments, and supply departments should play a key role in distribution of commodities. We should make full and good use of the policies on enlivening sales as promulgated by the provincial party committee and the provincial government and mobilize the enthusiasm of grass-roots enterprises and the staff and workers for marketing local products. According to the principle of fixing prices according to product quality and purchasing goods on the spot or in the neighborhood, we should first purchase local products. It is necessary to set up and perfect the system of building up the supplies of key commodities and help the state-owned and cooperative enterprises and supply departments at the provincial and city levels upgrade their ability in market regulation and control.

We should attend to the management and consolidation of market order and maintain the prosperity and stability of the markets. We should resolutely punish those who engage in the illegal activities of cheating consumers, monopolizing

management, and cheating and extorting the peasants; conscientiously eliminate the illegal activities of interfering in market management and circulation order; and strictly deal blows to the illegal activities of producing and managing fake and poor-quality commodities. We should strictly manage meat markets and carry out the methods of fixing slaughterhouses, concentrating examinations, paying taxes in a unified way, and encouraging decentralized management. We should organize forces to implement the provincial regulation on the management of markets for key industrial products and means of production and supervise and manage, according to laws, the trade of major industrial products and means of production. We should attend to the production and management of vegetables and foodstuffs and ensure a good supply of vegetables. We should strengthen price management, supervise and control the prices of key commodities, strictly control the standards for various service charges, and maintain the basic stability of general goods prices.

We should further strengthen transportation work; scientifically organize railway, highway, air, and river and sea transportation; upgrade the transportation efficiency; and promote the circulation of commodities.

F. We should reasonably arrange the investment structure and strengthen key technological transformation and the construction of infrastructural facilities.

Investment in fixed assets should suit the requirements for readjusting structures and increasing economic results. This year, the scale of investment in fixed assets should increase 23 percent over the preceding year, and the province has arranged 37 large and medium-sized projects. Regarding technological transformation, we should concentrate on increasing quality and reducing consumption and adopt new techniques to develop new products. Regarding investment in capital construction, we should continue to strengthen the construction of water conservancy, agricultural, communications, telecommunications, and energy production projects; the production of key raw materials; and the development of export and foreign exchange earning items. We should give appropriate consideration to investment in social undertakings, give priorities to repairing the projects damaged by the floods, winding up projects, and on-going projects that can make a great impact on the province and give good economic results, and to some auxiliary projects. Governments at various levels should bring the construction of circulation facilities into line with the overall plan for economic construction and urban construction, collect funds from various channels, and pay prominent attention to grasping the construction of grain storage facilities and markets.

We should stabilize and expand the sources of funds for key construction projects to ensure the implementation of these projects. We should issue new methods and policies for raising funds in a timely manner, draw up supporting measures for fund management and other work, and strengthen the control over the input and recovery of funds to increase the capacity for investment. While making active efforts to win state investment, the province preliminarily plans to raise 1.26 billion yuan (including 500 million yuan

worth of bonds) for key construction projects. All specialized banks and monetary organizations should adopt every possible means to raise funds to make up for the shortage of funds for construction so as to meet the need in the key projects of the province.

We should strengthen management of the entire process of a project to increase the benefits from its investment. We should strengthen the supervision and control over investment and the budgetary estimate of projects, expand the application of the method of public bidding, and improve the mechanism for management of projects during their construction period to ensure the construction period and quality of the projects and make sure that they are put into operation and reached the designed capacity on schedule. We should strengthen the control over the general scope of the investment in fixed assets of the entire society and put new projects and extrabudgetary projects under strict control. We should strictly control the scope of annual investment and the general scope of the investment in the projects under construction. All new projects should meet the requirements on construction and should be included in plans.

G. We should further strengthen financial and monetary work to improve efficiency in the use of funds.

As the province's increase in this year's financial allocation and credit funds is limited, the contradiction between supply and demand remains conspicuous. This affects the province's economic development, and, therefore, we should regard the enlivening of the circulation of funds and the reduction of deficits and increase of profits as two work focuses and make them successful.

Financial work should be promoted continuously in line with the principles and policies of the party, the work focuses defined by the provincial party committee and government, and the ideas of developing science and technology, developing the economy, developing finance, and developing all our undertakings. Focusing on improving the conditions for scientific research and facilitating the transformation of scientific research achievements, we should serve the endeavor to develop the province through the application of science and technology from all directions and in the entire process. Focusing on improving the conditions for agricultural production, we should serve the endeavor to develop the county economy. Focusing on improving large and medium-sized state enterprises, we should serve the endeavor to promote a steady development of enterprises. Focusing on achieving a balance between the revenue and the expenditure, we should pay close attention to increasing the revenue and reducing the expenditure, greatly broaden the sources of income, fulfill the tasks of the budgetary revenue and expenditure, and serve the endeavor to successfully build the "two civilizations." Through such conscientious service, we should raise the efficiency of the economy as a whole and facilitate the gradual improvement of the financial situation. We should pay close attention to reducing deficits and increasing profits. Through economic and administrative means and other comprehensive measures and by assigning responsibilities to every department and fixed quota to every level, we should attend to this work

on every front and in every enterprise and strive for a substantial decline in both the amount of deficits and the number of deficit-making enterprises.

In monetary work, we should continue the current credit principle of "controlling the total volume, adjusting the structure, strengthening management, enlivening the circulation of the tied-up funds, and raising the efficiency in the use of funds" to improve the effective supply of funds. We should organize well the savings deposits of individuals and enterprises, enliven money lending, open up inter-provincial money-lending channels, attach importance to and fully use loans for leasing, and achieve success in the issuance of bonds and enterprise stocks to expand the sources of funds. We should strive to enliven the circulation of tied-up funds and adopt such measures as "starting up the circulation with a small amount of funds," "linking the issuance of loans to the reduction of stockpiled goods," and clearing the accounts of funds more rapidly to reduce the funds of enterprises tied up in finished products, goods shipped in transit, and receivable and advance payment for goods. We should further clear up debt chains and avoid borrowing money again right after a debt is cleared. We should make full use of short-term loans and accelerate their circulation. We should strengthen the management of trust investment and support the development of trust investment business. We should strengthen management of foreign exchange and foreign debts and succeed in the regulation of foreign exchange. Focusing on adjusting the structure and improving efficiency, we should optimize the structure of loans and give better play to the role of money as an economic lever.

H. We should further emancipate the mind and accelerate the pace of coordinated reforms.

We should accelerate the pace of coordinated reforms by closely centering on solving the deep-rooted contradictions and problems in the current economic activity, by focusing on changing enterprises' operating mechanisms, and by aiming at establishing a new socialist planned commodity system and the operating mechanism of combining planned economy with market regulation.

We should establish and perfect the social guarantee system and accelerate the formation of the mechanism of selecting the superior enterprises and eliminating the inferior ones and the mechanism of circulating production elements. We should further perfect the old-age insurance and medical insurance systems and expand the scope of unemployment insurance. After conducting investigation and study and consulting in various fields, the provincial government will soon set up the unemployment insurance system, which should be carried out conscientiously and should be gradually perfected through practice. Establishment of the social guarantee system is a major event which has a bearing on economic development and social stability, and thus should be carried out positively but prudently. We should first choose a few enterprises with no hope of stopping the losses to try out the bankruptcy policy and should choose a city to try out the unemployment insurance. On this basis, we should formulate the standards and methods, which are unified throughout the province, on the closure, suspension,

and bankruptcy of enterprises and should formulate corresponding detailed rules and regulations governing unemployment insurance.

We should initiate the housing system reform in an all-around way. We should improve the people's housing conditions and gradually commercialize houses in line with the principle of the state, units, and individuals sharing the burdens; the principle of simultaneously stressing the rent, sales, and building of houses; and the principle of "unified policies and decentralized policymaking."

We should popularize the reform of the land use system. We should clear up and rectify the urban land market and should explore and experiment with the paid utilization of state-owned land in the selected experimental areas of the provincial and city (prefectural) levels.

We should rapidly cultivate and perfect the market system. We should gradually build and perfect the commodity, banking, labor service, and technology markets. Great efforts should be made to build the soybean market and the sugar, timber, and wood product markets of the state level this year. We should positively and steadily decontrol management, prices, employment, and distribution in state-owned cooperative commercial enterprises. We should also promote the reform of internal mechanism of foreign trade enterprises of various kinds.

We should gradually rationalize prices on the premise of maintaining the basic stability of prices. In line with the state unified arrangements, we should continue to readjust the prices of basic products in a planned way. If allowed by policies, all industrial products controlled by the province should have their prices readjusted. If appropriate, the right to decide prices should be delegated to enterprises as far as possible.

We should positively carry out reform of the macroeconomic management system. Government departments at all levels should change their functions and explore and establish the mode of indirect economic management in line with the principle of separating the functions of government from those of enterprises. We should strengthen the management of trades to prevent duplicate and blind construction. We should further strengthen the registration and management of enterprises' property right and enhance the property right control mechanism. We should strengthen and improve auditing and supervision to safeguard the state financial and economic laws and discipline.

I. We should continue to promote opening to all sides, with emphasis on the opening of border areas.

We should seize opportunities to broaden markets and expand the opening to all sides, the trade with Russia in particular. On the basis of consolidating existing economic and trade channels, we should voluntarily visit the CIS states and their local governments and key enterprises to establish new economic and trade relations with a view to making a big headway in staple trade items such as grain export and in economic cooperation and with a view to taking a big step in developing the comprehensive compensatory "item-exchange" trade, the contracting of projects,

and the export of labor service. We should strive to build Heihe and Suifenhe into state-level border open zones. We should make efforts to successfully hold the third China Harbin border and local economic and trade symposium and "1992 China friendship sight-seeing year" activities in order to give full play to the role of Harbin as the window opening to the north and as the foreign trade center. In the open areas in Russia where transportation is convenient, policies are relaxed, the economy is fairly developed, and the political situation is fairly stable, we should develop and establish economic cooperation zones and make full use of the raw materials and the market of the counterparts to build a group of joint ventures and cooperative enterprises. We should open wider to all the countries and regions of the world and establish a multifaceted market. We should make the best use of state policies to build well high- and new-tech industrial development zones and economic and technological development zones. We should continue to bring in technology, funds, and trained personnel from abroad to transform old enterprises and to develop the three types of foreign-funded enterprises and the export-oriented economy and achieve breakthroughs in the cooperation in major projects, such as the development of the Sanjiang Plain. We should further develop the inter-provincial lateral economic ties and cooperation and establish and develop the long-term and stable cooperative relationship with coastal open areas and economically developed areas.

J. We should reinforce the strategic position of science and technology and education and actively develop the various social undertakings.

We should greatly develop science and technology. This year, we should organize the implementation of 395 projects of the plan for tackling scientific and technological difficulties and 80 projects of the Spark Plan, the development of 2,000 new products, the application of 205 new technologies and scientific and technological achievements, and three industrial experiments. We should continue the "863" high-tech development plan and the Spark Plan and develop high and new technology and its industries to control a commanding point. We should intensify basic research and applied research to reserve strength for economic and scientific and technological development. We should deepen the reform of the scientific and technological system and the personnel and organization establishment systems, encourage scientific research institutions to establish a new operating mechanism and organizational structure, improve the personnel systems and policies for scientific research institutions and scientific and technical personnel to coordinate their work with the economy, encourage scientific and technical personnel to go down to plants and rural areas, and promote the technological cooperation of scientific research units and schools of higher learning with enterprises to gradually coordinate scientific research with production. We should encourage the development of non-government scientific research institutions. We should improve the rural scientific and technical service system and enhance enterprises' capacity for developing and assimilating technology. We should increase scientific and technological investment through various channels and at various levels and bring about a steady upturn in the scientific

and technological input and output. We should intensify the research of social sciences to serve economic and social development and scientific policymaking. We should earnestly summarize the experiences in the initial stage of the endeavor to "develop the province through science and technology," revise the program for carrying out this endeavor, specify medium-term plans, and establish an effective operating mechanism to increase the proportion of scientific and technological factors in the economic growth of the province to 24 percent, two percentage points higher than the preceding year.

We should implement the principles for education in an all-around manner, put adherence to a correct political orientation in first place, intensify ideological and political education and moral education, and improve the quality of teaching. We should further straighten out the orientation for running schools and make reasonable arrangements for the training of personnel at different levels in line with the needs in economic construction, social development, and scientific and technological advances. We should intensify elementary education, consolidate the achievements in making junior high school education universal, and implement the compulsory education at the junior high school level in the localities which have fairly good economic and educational foundations and of which the population account for 15 percent of the province's total. We should greatly develop vocational and technical education, accelerate the training of the personnel at the junior high school level with applicable technology, and intensify workers' on-the-job training, the training to attain a higher technical level, and the training with applicable technology in rural areas. We should stabilize the scale of the schools of higher learning, continue to replenish and rectify them, and improve their efficiency in teaching. We should attach importance to preschool education, special education, and the education of minority nationalities, consolidate and expand the achievements in eliminating illiteracy, and prevent the dropout of primary and junior high school students. We should fully develop the scientific and technological advantages of the schools of higher learning to facilitate the transformation of scientific and technological achievements. Rural schools and vocational and technical schools should implement the Prairie Fire Plan and carry out activities to develop agriculture through the application of science and technology and the promotion of education. We should increase the investment in education, persistently collect education funds from various channels, encourage the various circles of society to donate funds to support schools, and achieve success in the work-study program to improve the conditions for teaching. We should step up efforts to improve the contingent of teachers, further raise their political and professional quality, and gradually rationalize the structures of the ages and specialties of teachers.

Cultural workers should continue to persist in orienting literature and art to serving socialism and the people; to persist in the principle of letting a hundred flowers bloom and a hundred schools of thought contend; and strive to form culture with national and regional characteristics, cultivate literary and artistic crack troops in the northern border province, create increasingly more literary and

artistic works, and strive to satisfy the demands of the people. We should achieve the construction of such cultural facilities as cultural centers (stations), libraries, and museums; strengthen the preservation of cultural relics; and make full use of historical relics. We should extensively launch the mass cultural and entertainment activities and do a good job in organizing the Third Geese Art Festival. We should do a good job in managing the cultural markets according to law. Press and publication centers should persist in an accurate media orientation and comprehensively upgrade the quality of papers, periodicals, books, and audio and video products. It is necessary to strengthen the management of printing and publication channels and to strictly deal blows to unlawful publication activities. Radio and television units should play a key role in disseminating the policies of the party and the achievements in socialist construction, spreading information, and enriching the spiritual life of the people. We should do a good job in organizing the pre-phase preparatory project of the provincial radio and television transmitting tower and upgrade the radio and television coverage rates. We should improve the management of archives and do a good job in compiling local chronicles. We should extensively organize mass sports activities, strengthen the physical quality of the people, upgrade the level of sports techniques, organize the seventh provincial sports meet, and make good preparations for welcoming the seventh national sports meet. Public health workers should firmly attend to the rural public health work and positively popularize the rural cooperative medical treatment system and the medical and health care system. We should launch the patriotic public health campaign, consolidate the achievements in building sanitary cities; do a good job in monitoring, preventing, and curing endemic diseases, occupational diseases, and infectious diseases; and supervise and manage, according to laws, food and medicine markets.

We should attend to the planning and management of urban and rural construction. We should further strengthen environmental protection; attend to the prevention of urban and industrial pollution; reduce energy consumption; make good use of waste water, waste gas, and waste residue; prevent the natural ecological environment from becoming worse; and integrate economic results with social benefits and ecological benefits. We should further improve the construction of water supply, water drainage, power supply, gas supply, communications, telecommunications, and urban greening utilities; accelerate the construction of towns and townships as well as the development of tourist and civil administrative undertakings; and improve the quality of the people. We should do meteorological work, upgrade the accuracy of weather forecasting, strengthen disaster-combating work, and do a good job in monitoring and guarding against earthquake disasters.

K. We should strengthen family planning work and strictly control the excessively rapid population growth rate.

So far, the province is in the peak period of births. Governments at various levels should treat family planning as the main item of their work procedures and persistently attend

to both production and family planning. We should realistically strengthen the leadership over the family planning work and ensure that top leaders personally assume responsibility for the work and that all departments and all fronts make concerted efforts to attend to the work. We should manage family planning work according to laws, conscientiously implement the provincial family planning regulations, and persist in and improve the system of responsibility for the management of fixed-quota population and family planning work. When assessing political achievements, promoting cadres, and selecting the advanced, we should resolutely carry out the method of negating all the work achievements if the birth control targets are not attained. We should put the focus of family planning work in the grass-roots and rural areas. We should continue to implement the principle that family planning work is to be dominated by propaganda, education, regular work, and contraception; mobilize and organize the masses to carry out the family planning work; give full scope to the functions of grass-roots family planning organizations; implement the basic state policy on family planning among each and every household; and strive to control the birth rate and natural population growth rate within 18.45 per 1000 and 12.46 per 1000.

L. We should strengthen the building of democracy and the legal system and consolidate and develop the political situation of stability and unity.

We should continue to implement the 19 systems and regulations on maintaining close ties with the masses promulgated by the provincial government in 1990. We should conscientiously execute the resolutions, decisions, and local regulations adopted by people's congresses and their Standing Committees. We should voluntarily report our work to people's congresses, consciously accept the supervision and inspection from people's congresses; listen to deputies' criticism, opinions, and suggestions with an open mind; actually handle the motions raised by people's deputies; and support people's deputies to exercise their rights according to laws. We should further strengthen the contacts with the CPPCC, democratic parties, industrial and commercial federations, non-party patriotic figures, and such mass groups as trade unions, the CYL, women's federations, and scientific and technological associations in order to report the situation to them and listen to their opinions and suggestions in a timely manner. We should comprehensively implement the policy on nationalities and energetically develop the economy and social cultural undertakings in minority areas to safeguard the unity among various nationalities and promote their common prosperity. We should manage religions and protect legal religious activities according to laws. We should also prevent the infiltration of hostile forces from outside the country. We should continue to improve the foreign affairs work and overseas work.

We should further strengthen the building of the legal system. In line with the demands of the state legislation and the need for the province's economic and social development, we should formulate local draft rules and regulations as well as administrative stipulations in a timely manner; should submit these rules, regulations, and stipulations to

people's congress Standing Committees for discussion; and should gradually align various work items with the legal system. We should strengthen the administrative and law enforcement work, should perfect the rediscussion of administrative work, should strengthen supervision and inspection of law enforcement, and should enhance the level of doing administrative work according to laws. We should profoundly conduct the second five-year education on law popularization to enhance all people's concept of the legal system.

We should vigorously strengthen the building of spiritual civilization and the regular ideological work. We should successfully conduct the socialist ideological education in the rural areas from beginning to end, should profoundly implement "Heilongjiang Province's provisional regulations on building civilized units," and should strive to raise the civilized units, villages, and towns to a new level.

We should continue to tackle social order problems comprehensively. We should vigorously strengthen the struggle against the hidden front, should discover the major hidden perils which endanger the state political and social stability, and should deal stern blows to the subversion and sabotage committed by the hostile forces at home and abroad and to serious criminal offenses and economic irregularities. We should persistently conduct the campaign of wiping out pornography and the "six vices," and should eliminate ugly phenomena in society. We should conscientiously implement the decision of the provincial party committee and the provincial government on strengthening petition work and succeed in the work of answering letters and receiving visits from the masses. Public security, safety, and judicial departments should strengthen the building of themselves to raise their political and professional quality and their expertise to enforce laws and handle cases. We should actually strengthen national defense education, the work of supporting the Army and giving preferential treatment to family members of revolutionary martyrs and servicemen, and the work of militia and reserve duty. We should conduct activities in which the Army, the police, and the people join hands in construction and education in order to strengthen the unity between the Army and the government and between the Army and the people. In terms of the people's air defense work, we should persist in the principle of combining peacetime needs with wartime preparedness and should make the work serve economic construction, urban protection, and the people's livelihood.

M. We should resolutely change the work style and build an honest government that deals with actual matters.

Leaders and working personnel of governments at all levels should wholeheartedly serve the people, maintain close ties with the masses, sincerely depend on the masses, and diligently and selflessly work for the masses to enhance the people's confidence in the government.

We should make conscientious efforts to achieve success in building a clean government. Governments at all levels should truly place this work high on their agenda, and the provincial government and the units subordinate to it should earnest practice what they advocate and set an

example. They should resolutely correct the unhealthy trends in various trades, wage the anticorruption struggle, conscientiously investigate and strictly handle according to law the small number of government personnel who abuse power for selfish gains and are engaged in blackmailing, fraud, bribe-taking, and embezzlement, and never tolerate them. They should make realistic efforts to correct lavish wining and dining with public funds and the unhealthy trends in the personnel work related to cadres. They should intensify the education on opposition to corruption and degeneration, persist in the various systems for building a clean government, strengthen their own mechanisms for management and supervision, and strive to shovel out the soil on which unhealthy trends grow.

We should make conscientious efforts to change work styles. Governments should regard implementation of the policy decisions of the provincial party committee as the focus of all their work, and make persistent efforts in it until success is achieved. We should greatly develop the practice of investigation and study. Leading cadres of governments at all levels should stay in grass-roots units for a certain period of time to study new conditions, summarize new experiences, and solve new problems so as to overcome bureaucracy, subjectivism, and formalism. They should display the spirit of doing practical work, achieve realistic results, and avoid merely paying lip service. They should have the ability to do work in a creative manner; coordinate the party's line, principles, and policies with the specific conditions of their localities and departments; turn the major policies into specific measures; and implement the various policy decisions on developing Heilongjiang made by the provincial party committee through fruitful work. We should guard against the tendency of neglecting ideological and political work, persist in building material civilization and spiritual civilization simultaneously, and pay attention to the study of Marxism and education in the party's basic line of government personnel, especially leading cadres, to enhance their faith in socialism, raise their ideological and political quality, and increase the combat strength of leading bodies. We should improve the grass-roots organs of power; raise the theoretical, policy, and managerial levels of grass-roots cadres; and ensure the fulfillment of various tasks.

We should raise work efficiency. We should accelerate work tempo, enhance the sense of effectiveness for a given period of time, and change the unhealthy trend of buck-passing. We should persistently apply the system of responsibility for management by objective to government departments, the responsibility system to leading cadres, and the personal responsibility system to work personnel and strengthen the coordination between departments to improve the overall functions of government work. We should streamline administration and staff and reduce unnecessary meetings and documents. This year, the meetings of the provincial government and the departments directly under it should be reduced by one-third, and so should their funds for meetings and the documents issued by the provincial government. We should give full play to the role of statistics, information, consultation, and research institutions; further improve the

system to make policymaking more democratic and scientific; and improve the regulating, control, and feedback systems supporting it.

Deputies, our tasks are arduous and prospects bright. Under the leadership of the party Central Committee, the State Council, and the provincial party committee, let us further emancipate our minds, raise our spirit, make vigorous and hard efforts, unite as one, brave the way forward, and strive to fulfill the various tasks of the economic and social development of our province for this year!

### **Guangdong Government Work Report**

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[Zhu Senlin (2612 2773 2651): "Guangdong Government Work Report—Delivered at the Fifth Session of Seventh Provincial People's Congress Held on 8 January 1992"]

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Fellow deputies,

On behalf of the provincial people's government, I now submit a report on government work for examination and approval by the present session. The views of the provincial Chinese People's Political Consultative Conference members and other personages present at this session are also welcome.

#### **Part I: Work of 1991**

1. The year 1991 was the first year of the Eighth Five-Year Plan and a year in which we basically accomplished the task of economic improvement and readjustment and deepened reform. In view of the slow recovery in the provincial

market, declining enterprise economic efficiency, and other difficulties encountered earlier in the year, the provincial government urged the governments at all levels to keep a cool head, judge the hour and size up the situation, and make a full estimate of the difficulties and a profound study of the problems so that the measures adopted would be more practical and the work done would be more effective. Thanks to the leadership of the Guangdong Provincial CPC Committee and the supervision of the provincial people's congress over the year, we have resolutely implemented the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and principles and policies of the State Council, earnestly carried out the work and tasks proposed by the Fourth Session of the Seventh Guangdong Provincial People's Congress, integrated economic improvement and rectification and deepened reform with enforcement of the Eighth Five-Year Plan and economic development, increased the measure of reform, strengthened macroeconomic control and regulation, and extensively launched the "quality, variety, and efficiency year" drive in all trades and professions focused on increasing efficiency. Thanks to the concerted efforts of the cadres and the masses throughout the province, the situation as a whole has developed in a favorable direction, better than we expected earlier in the year. Production, construction, circulation, and revenue have all increased simultaneously, a balance has been maintained in social general demand and supply, and economic efficiency has turned for the better. Stability prevailed in society. The major targets set in the 1991 national economic and social development plan adopted by the Fourth Session of the Seventh Guangdong Provincial People's Congress have been successfully fulfilled. It is estimated that the province's gross social product will reach 371 billion yuan, an increase of 18.4 percent over the previous year (calculated in terms of comparable prices); domestic output value, 168.9 billion yuan, up 13.5 percent; national income, 129.3 billion yuan, up 13 percent; and gross industrial and agricultural output value, 300.3 billion yuan (calculated in terms of 1990 fixed prices), up 20.3 percent.

#### **National Economy Basically Embarked on the Track of Normal Development**

2. Guangdong reaped bumper agricultural harvests after conquering serious natural disasters. Last year the province suffered from a series of droughts and the area affected accounted for over 50 percent of the sown area of grain. Later, the eastern and western parts of the province were hit by typhoons, incurring heavy losses. The governments at all levels earnestly strengthened leadership over agriculture, increased input, and urged all trades and professions to support agriculture and make preparations for combating disasters and doing well relief work. Thanks to the efforts of the party, government, Army, and people, post-disaster production resumed rapidly. During the year, the province's investment in water conservancy projects totaled 1.8 billion yuan, up 8 percent from 1990. Guangdong transformed 3.03 million mu of low- and medium-yield land, newly increased and resumed an irrigation area of 795,000 mu, improved 3.104 million mu of flooded and waterlogged land, reinforced 2,707 km of dikes, and brought 780 square km of water and soil under control.

Despite the disasters, Guangdong reaped bumper agricultural harvests and the rural economy developed comprehensively. It is estimated that total agricultural output for 1991 will reach 61.9 billion yuan (calculated in terms of 1990 fixed prices), up 5 percent from the previous year; total grain output, 186.4 million tons, 0.32 million tons less than the previous year, but higher than other years, and the per unit area yield hit an all-time high. Output of all cash crops, except ground nuts, increased. Output of meat and aquatic products rose 1.1 percent and 5.5 percent respectively. In forestry, Guangdong overfulfilled the year's afforestation target and won the title of "first province in national afforestation." In addition, another 23 cities and counties (districts) fulfilled the afforestation targets. The output value, taxes and profits, and foreign exchange earned by township enterprises all rose by a wide margin. Total annual income of township enterprises is estimated to reach 94 billion yuan, an increase of 19.7 percent over 1990.

3. Industrial production increased comprehensively. The governments at all levels seriously implemented the policies and measures for invigorating the large and medium-size state enterprises, guided their product mix readjustment, enhanced their technological transformation and internal management, and urged them to do well in operation, marketing and the work of turning deficits into profits. As a result, these enterprises satisfactorily fulfilled their production and technological quotas. It is estimated that the province's gross industrial output value will reach 238.4 billion yuan (calculated in terms of 1990 fixed prices), a 25 percent increase over the previous year; light industry developed in a coordinated way; industrial output value of the public sector rose by around 20 percent, putting an end to the situation of the growth of the public sector lagging far behind that of other sectors; output value of the export of manufactured goods rose by around 26 percent; output of marketable products, new and famous-brand products, and raw materials products increased markedly and the proportion of marketable products accounted for 80 percent; a total of 2,700 kinds of new products and over 30,000 varieties were developed in the year; and the rate of quality products reached 85.2 percent. Capital used for finished products dropped somewhat compared with the early period of the year, a balance was maintained in production and marketing, initial results were achieved in clearing stock and debts, and debt chains involving 3.86 billion yuan were cleared, overfulfilling the state targets ahead of schedule. Enterprise economic efficiency increased somewhat. Output value, sales income, profits, and taxes and profits delivered to the state by the budgetary state enterprises in Guangdong increased simultaneously. The growth rate averaged over two digits, capital turnover accelerated, and labor productivity increased sharply. It is estimated that the number of loss-making enterprises and the amount of deficits will drop by 10 percent and 21 percent respectively from the previous year. In transportation and communications, the volume of transportation of essential materials on the two major channels in the north and the south increased. The volume of cargo transported is estimated to reach 287.16 billion

ton/km and passengers, 33.49 billion person/km, an increase of 29.7 percent and 11.2 percent respectively over 1990.

4. The market recovered steadily and prices remained stable. To accelerate market recovery, the governments at all levels promptly adopted a series of policies and measures to unclog circulation and open up new markets, took note of coordinating the relation between production and marketing, enhanced connections with domestic counterpart organizations, invigorated purchases and sales, promptly organized materials for production and construction, seized the opportunity to open up urban and rural markets within and outside Guangdong, promoted the sales of Guangdong products, and further strengthened market management and building, which ensured rapid expansion of the scope of circulation and brought the markets of Guangdong to a normal state. The province's 1991 retail sales are estimated to reach 85 billion yuan, up 16 percent from the previous year; purchases and sales of commodities increased simultaneously; wholesale and the commodities allocated to other provinces rose 20 percent; and an end was put to the declining sales in the rural market and market for means of production. The province had 100 country fairs, occupying an area of 900,000 square meters. The volume of transactions in the country fairs totaled 31.8 billion yuan, an increase of 24 percent. Achievements were scored in the "vegetable basket" project, there was an ample supply of nonstaple foods in the market, control and supervision over prices were strengthened, the prices of food and consumer goods remained stable, and overall prices were brought under control. It is estimated that the year's price index will rise by 1 percent, less than the price control target set earlier in the year.

5. Headway was made in foreign economic relations and trade and a change was effected from the old to a new structure. In the face of the new trade structure aimed at "eliminating subsidies and assuming sole responsibility for profits and losses" in early 1991, there was a general worry that exports might drop. The provincial government stressed turning pressure into motivity, vigorously implemented a new foreign trade structure, and requested "slightly cutting the purchasing prices, raising the export prices, and reducing internal expenses." In close coordination with the planning, taxation, banking, customs, and foreign exchange management departments, the governments at all levels did well in export proceeds collection, settlement of exchange, refund of export duty, and retention of foreign exchange to support export. Foreign trade enterprises made efforts to improve operation and management, reduced expenses, integrated industry with trade, and vigorously opened markets abroad. Thanks to the successive readjustments of exchange rates made by the state, foreign trade and export increased by a wide margin. It is estimated that Guangdong's 1991 export value will exceed \$12.8 billion, up 21.2 percent, overfulfilling the annual export target. Of this, exports by the three kinds of foreign-funded enterprises and enterprises processing materials for foreign businessmen rose 31.6 percent and 21 percent respectively over the previous year. Export efficiency increased markedly. Export costs and expenses and stock dropped, capital

turnover accelerated, the rate of exchange settlement rose, and deficits in the year were turned to profits. Moreover, the deficits incurred over the years were also made up. This was a great turning point in Guangdong's foreign trade and export.

In the use of foreign capital, Guangdong paid special attention to the sources of foreign capital, offered guidance to foreign investment, and strengthened management over enterprises invested in by foreign businessmen. Use of foreign capital continued to increase and the investment structure improved remarkably. The actual amount of foreign capital used by Guangdong is estimated to reach \$2.42 billion, up 19.7 percent from 1990. Of this, direct investment by foreign businessmen totaled \$1.6 billion, up 10 percent. Productive projects invested in by foreign businessmen accounted for over 90 percent, and most of them were basic industrial projects. Investment in high-tech projects increased steadily. New headway was made in foreign economic and technological cooperation, labor export, and technological exports.

6. A balance was maintained in financial revenue and expenditure. The governments at all levels earnestly implemented the measures for increasing revenue and retrenching expenditure, readjusted and improved the financial contract system, strengthened management over finance and taxation, and conducted well taxation and financial general inspection, which ensured a steady growth in revenue and fulfillment of revenue quotas. Guangdong's 1991 revenue is estimated to reach 17.06 billion yuan, an increase of 18.2 percent over the previous year (calculated in terms of comparable prices) and industrial and commercial tax income is estimated to increase by 15 percent. Financial revenue met the requirements of "rational expenditure and ensuring food, key projects, and relief work." The year's spending is estimated to reach 16.23 billion yuan, up 9.7 percent from 1990.

7. Bank operation remained normal. While implementing the state's tightening policy, Guangdong accommodated capital through flexible use of the bank funds, strengthened planned management over credit, and did readjustment, debt clearing, and loan recovery work well. As a result, Guangdong basically ensured capital supply to economic construction under the condition of not exceeding the credit limit set by the state. The year-end balance of Guangdong's bank savings deposits is estimated to reach 159.6 billion yuan, 45.5 billion yuan more than in the 1990 year-end period; and the balance of all kinds of loans 145.7 billion yuan, 19 billion yuan more than in the 1990 year-end period. Commencing April, the province's savings deposits exceeded loans for the first time. It is estimated that the year-end account will show a surplus of 13.9 billion yuan. A net total of 6.5 billion yuan, a satisfactory figure, is estimated to be withdrawn from circulation. The financial market further developed in the year and the province approved the establishment of 39 stock exchange counters and over 300 securities transfer agencies. The volume of transfer of all kinds of securities increased by 380 percent over 1990. The amount of directly accommodated capital also rose. The insurance institutions vigorously developed

all kinds of businesses and played a good role of economic compensation in fighting disasters and relief work. Some 5,047 enterprises and over 90,000 households received economic compensation, which helped them resume production and rebuild their homes. The volume of Guangdong's insurance businesses and incomes in the year is estimated to rise by 29.2 percent and 29.9 percent respectively.

8. The structure of investment in fixed assets continued to improve and the progress of key construction projects was smooth. The governments at all levels continued to exercise control over the scope of investment in fixed assets, implemented the investment license system, levied investment regulatory taxes, and strictly examined new projects. Meanwhile, Guangdong increased investment in technological transformation and concentrated resources to ensure the key energy, transportation, communications, and raw materials construction projects. Investment by the public sector in fixed assets is estimated to reach 30.7 billion yuan (including commercial houses), up 12.9 percent from 1990. Of this, investment in upgrading and renewal is estimated to grow by 6 percent. Investment in agriculture, forestry, water conservancy works, the raw materials industry, the energy industry, transportation, post and telecommunications, science, education, culture, public health, and other major trades all rose markedly. Investment in Guangdong's 32 key projects totaled 3.95 billion yuan, overfulfilling the annual plan. Of this, the full-set projects completed and put into operation include: Generating units 1 and 2 of the Meixian Power Plant, generating units 1 and 2 of the Yunfu Power Plant, the Yaomao section of the Sanmao Railway, the expansion project of the Shantou Sensitization Material Factory, the Yunfu Cement Factory, the Gaoming Bridge, and the expansion project of the Huaqiao Hotel. The single projects completed and put into operation include: The Zhanjiang Wharf, the six sets of installations of the Guangzhou Petrochemical Plant, the Run Run Shaw Stadium of Jinan University, and the waiting room of the Baiyun International Airport. Other projects include: Trial operation of part of the equipment of generating unit 4 of the Shajiao Power Plant, railway track laying of the Changhui section of the Guangzhou-Meixian-Shantou Railway, 110 km of highway paving and completion of the foundation of the Guangzhou-Shantou highway transformation project, and assembling of equipment of the Guangzhou Pumping and Energy Storage Power Station. The new production capacities of these projects include: 1.31 million kilowatts of power generating capacity, 231 km of railway trunk line, 5.85 million tons of port cargo handling capacity, 450,000-switch telephone exchange capacity, and 6,000 long-distance telephone lines. All this further enhanced the strength of Guangdong's economic development.

9. New steps were taken in combining scientific and technological work with economic construction. Last year the provincial party committee and government held a work conference to make a decision on relying on scientific and technological progress to promote economic development. Cadres and the masses of the whole province further enhanced their sense of science and technology. The governments at all levels strengthened leadership over scientific

and technological work and increased input in science and technology. The funds allocated by the province for scientific and technological undertakings are estimated to reach 270 million yuan, a 17.9 percent increase over 1990. Loans granted for science and technology also increased by a wide margin. Focused on implementation of the Eighth Five-Year Plan for science and technology, all localities vigorously introduced scientific and technological structural reforms and explored and established new scientific and technological operation mechanisms, which closely combined science and technology with economic construction. Satisfactory social and economic efficiency was achieved in the 34 key scientific and technological problems, 225 research topics, 30 "Torch Plan" projects, 149 "Spark Plan" projects, and the scheme to apply the state's 25 key scientific and technological achievements. The province accelerated the building of the three new high-tech development zones in Shenzhen, Guangzhou, and Zhongshan and the high-tech zone in the Zhu Jiang Delta. Productive enterprises further enhanced technological cooperation with scientific research units and institutions of higher learning and achieved marked successes in developing new products. The number of scientific and technological achievements and patented technologies increased. The technology market remained brisk and the volume of transactions in the year is estimated to reach 300 million yuan, up 50 percent from 1990. Guangdong enhanced mass and effective science popularization work, which in turn served economic construction. Scientific and technological activities among youngsters were brisk.

10. The building of mountain areas was accelerated and remarkable achievements were made in supporting the poverty-stricken areas. In recent years, the provincial party committee and government have regarded supporting the poverty-stricken areas, extricating them from poverty, and leading them to prosperity, and accelerating the construction of mountain areas as a strategic task. Last year the poverty-stricken counties (districts) supported by the provincial organs increased from 25 to 31. In this field, the province also regarded a number of townships in Shihuiyan as key areas. The provincial organs responsible for supporting the poverty-stricken areas mustered construction funds of 60 million yuan for the localities. A responsibility system to support the poor was established between seven developed cities and six cities and one county in the mountain areas. They agreed on around 100 projects, of which more than 30 were implemented, involving an amount of 82 million yuan. The province transferred 1 million laborers from the mountain areas to the developed coastal areas in a planned manner. To accelerate construction of the mountain areas, the provincial party committee and government held the Sixth Provincial Conference on Mountain Work, made a decision on leading the mountain areas to prosperity as quickly as possible, and adopted further measures to promote development of the mountain economy. Total industrial and agricultural output value of the 49 mountain counties is estimated to reach 44 billion yuan (calculated in terms of 1990 fixed prices), up 13 percent from 1990; the peasants' average income rose 6.6 percent; and another 80,000 peasants got rid of poverty.

11. Notable successes were made in the building of the special economic zones and the economic and technological development zones, which played a better role as a "window" in opening up to the outside world. The special economic zones of Shenzhen, Zhuhai, and Shantou and the economic and technological development zones of Guangzhou and Zhanjiang continued explorations on a series of comprehensive reforms and optimized their industrial structure and product mix. A good momentum was maintained in developing an export-oriented economy, the investment environment further improved, and construction of the infrastructure was accelerated. Shenzhen built a number of key projects, including the new railway station, airport, and Huanggang Port. Construction of the seven bridges and Sanzao Airport in western Zhuhai were also in full swing. Last year the State Council approved the expansion of the Shantou Special Economic Zone, the area of which was extended from 52.6 square km to 234 square km, which exerted a positive influence on economic development in east Guangdong. Total industrial output value of the three special economic zones is estimated to reach 35.6 billion yuan (calculated in terms of 1990 fixed prices), an increase of 35.9 percent over 1990. Of this, the export output value accounted for 54 percent of total industrial output value. The total value of foreign trade is estimated to reach \$3.9 billion and the actual use of foreign capital \$790 million, an increase of 11.6 percent and 18 percent respectively over 1990.

12. People's livelihood enjoyed continued improvement. Governments at various levels regulated the surplus and shortage of labor among enterprises by opening up new employment avenues and gradually relieved the strain on employment in cities and towns. Throughout the year, arrangements were made for the employment of 410,000 people in urban areas of the entire province, keeping the rate of unemployment under 2.5 percent. According to a sample survey, the annual per-head subsistence income of urban residents in the province was 2,530 yuan and the annual per-head net income of peasants was 1,125 yuan (in terms of new specifications), up 15 and 7.9 percent or so respectively after price rises are factored in. The balance of year-end urban and rural residents' bank deposits reached 102.2 billion yuan, representing an increase of 27 billion yuan over the end of last year. Housing conditions for urban and rural residents were further improved. Last year, the construction of some 16 million square meters of urban housing space and 36 million square meters of rural housing space was completed. The water and gas supply in large and medium cities and towns grew considerably; road conditions, greening, and environmental hygiene improved; the overall quality of environment remained basically stable; social welfare undertakings and arrangements for the handicapped also made some progress.

13. However, there were also some prominent problems in economic development. First, agricultural production remained unstable; the basic facilities for farmland water conservancy were relatively weak and the capacity for preventing and resisting disasters was relatively low; some rural grass-roots organizations were underdeveloped, giving rise to a poor foundation for the collective economy; the

channels for circulation of agricultural products were not unobstructed, dampening the peasants enthusiasm in production. Second, the economic efficiency of state enterprises was still not good enough; the progress of terminating losses was not fast enough; the proportion of state industrial enterprises that were suffering losses was still around one third; in particular, coal mining, small chemical fertilizer, and inland water shipping enterprises failed to extricate themselves from trade-wide losses; the operation of state and cooperative commercial establishments was facing great difficulty, their efficiency going down and losses increasing; besides, owing to the restriction of credit scope, plus "debt chains" that defied complete solution, the peak period for repaying domestic and foreign debts was on its way, thus hardening the difficulty of fund circulation for some enterprises. Third, though the total investment in fixed assets was kept in check, the commencement of new projects, reckless establishment of organizations, and repeated low-quality construction have somewhat reemerged. Fourth, economic development and the masses' livelihood in mountainous areas were still quite difficult: Up till today, there are 30 counties in mountainous areas unable to cover expenditures with revenues; the problem of inadequate food and clothing is still plaguing 250,000 people, and 4 million people are still in poverty; and some localities are even experiencing "relapses of poverty." Governments at various levels must pay close attention to this issue and adopt practical and feasible measures to resolve it.

#### **Comprehensive Development in Building of Spiritual Civilization and Other Social Undertakings**

14. Last year, under the unified leadership of party committees, governments at various levels made further efforts to strengthen the ideological and political work of cadres and the masses, and carried on with education on the party's basic line, patriotism, and the current situation, in light of the dramatic changes in the international situation and their local realities. In the meantime, large-scale discussions were held on social ethics in the whole society and a series of activities for the building of spiritual civilization, such as adopting a new social spirit, being ready to dedicate oneself, and building civilized units, which served to further enhance the public's political and ideological consciousness and moral quality, were extensively conducted. A group of heroic figures and exemplary persons, who devoted themselves to socialist modernization, the maintenance of public order, and the protection of people's interests, emerged throughout the province. Last year, when eastern China and some other regions were hit by unusually severe floods, the people of the whole province enthusiastically contributed money and goods, which amounted to one sixth of the total contributions collected nationwide. The rapidity and enthusiasm of the masses' reaction demonstrated the ever-growing sense of social responsibility and social morality among the Guangdong people since the reform and opening up started. The fourth national book fair in Guangzhou last September was an unprecedented spectacle: Within a space of 12 days, there were altogether 550,000 people entering the book fair and buying 12 million yuan worth of books. It was an indication of our people's pursuit of scientific and cultural knowledge and aspirations for a lofty spiritual life.

15. New progress was made in the field of education. Governments at various levels made further efforts to strengthen leadership over education. Schools at various levels and in various categories took solid steps to optimize their educational environments, deepen the reform of teaching and management systems, and enhance educational quality and the efficiency of school management. By the end of last year, there were 42 cities and counties (or districts) all over the province where the nine-year compulsory education is practiced, an increase of 12 over the previous year. The renovation of unsafe premises in primary and middle schools achieved marked progress. In the last two years, investments at various levels amounted to 1.7 billion yuan, which made possible the renovation of 95 percent of the unsafe school premises, thus improving conditions for running the schools. The institutions of higher learning and intermediate specialized training continued to develop steadily and enjoyed a constant improvement of educational standards on the basis of appropriately controlled scope of school operation, readjusted subject mix, and rational distribution. New development was also attained in infant, special, adult, and professional-technical education. Cultural and technical training schools for adults have been set up in 95 percent of all the townships and towns in the province and have altogether trained about 2 million people. Last year, another 60,000-odd young people and people in their prime of life attained literacy.

16. The implementation of the policy of "paying equal attention to rectification and prosperity" in cultural work continued. Last year, the broad ranks of writers and artists, centering round the activities marking the 70th anniversary of the CPC, turned out some good works singing the praises of the party's glorious history and achievements of socialist construction. Cultural departments at various levels hosted a variety of cultural and artistic activities in conjunction with foreign economic relations and trade and tourism, reaping relatively good social benefits [she hui xiao yi 4357 2585 2400 4135] and economic returns. In various localities, libraries, archives, cultural clubs, cultural function centers, and other cultural facilities were established. The whole province continued to rectify the audio-visual, book, and periodical market, and cultural entertainment venues, strengthened management, and further purified the cultural environment. Press, publishing, radio, television, and film departments made new contributions to propagating the party's principles and policies and enriching the people's spiritual life. Nanxiong County Annals, the first county annals in Guangdong since the founding of New China, has been published. Theoretical workers in social sciences took great pains and reaped a new batch of achievements in propagating and disseminating Marxist philosophy and the theory of scientific socialism and in studying approaches to the building of socialist economy, politics, and culture with Chinese characteristics.

17. Last year, our province successfully hosted the first World Women's Football Tournament. Governments at various levels, as well as all the professions and trades, in a positive spirit of "hosting well the World Women's Football Tournament is everybody's responsibility," made circum-spect arrangements for the relevant organizational work in

various aspects, making the tournament a spectacular, grand, complete, and successful event. Hosting this event was an additional spur to the enthusiasm of the broad masses of Guangdong in sports, and activated the building of Guangdong's surface, correspondence, and electronic communications, urban environmental sanitation, and sports facilities, and improved the quality of services. It also had a positive impact on the building of two civilizations in this province. Good athletes from our province scored remarkable achievements in major competitions at home and abroad: They broke 10 world records, took 23 world titles, and won 19 major international competitions; broke six [as published] Asian records and won 35 Asian titles; broke 15 national records and won 95 national titles.

18. In public health, the focus was on primary health care, and conscientious efforts were made to strengthen work on rural health care, preventive medical practice, and reinvigoration of Chinese medicine. Governments at various levels concentrated their financial resources to an appropriate extent and put a total of nearly 100 million yuan into the extension and renovation of some township and town hospitals and the replenishment of medical equipment for some rural hospitals. Provincial and city medical and health departments took great pains to organize medical forces to support rural areas. Seven cities, including Guangzhou, Shenzhen, and Foshan, established relations of mutual technical support with seven cities and counties, including Qingyuan, Meizhou, and Shanwei. This has played a positive role in upgrading the standards of rural medical practice and health care. The improvement on water supply in rural areas underwent new development and up-to-standard clean water was made available to another 2.2 million people. Work on preventing and eliminating diseases continued to improve, effectively keeping in check emerging and spreading of epidemics. Shenzhen, Guangzhou, Foshan, and Zhuhai were respectively rated among the 10 metropolises and 10 prefectural cities with the best public health performance of the whole country.

19. In handling overseas Chinese affairs, conscientious efforts were made to implement the "Law for Protecting the Rights and Interests of Returned Overseas Chinese and Families of Overseas Chinese of the People's Republic of China," continuing to honor the policy of giving back overseas Chinese-owned premises, removing misgivings and solving problems for returned overseas Chinese and their families, and protect their legitimate rights and interests. Through efforts over the years, 96 percent of the task of giving back overseas Chinese-owned premises in rural areas had been accomplished by the end of last year. Overseas Chinese affairs sector enthusiastically conducted various forms of liaison activities and helped overseas Guangdong natives better their understanding of their home towns and villages, which prompted them to care about their motherland and give warm support to its construction, by continuing to sponsor the summer camp for ethnic Chinese youth and inviting overseas Chinese and Chinese compatriots outside the borders to China for sightseeing. Last fall, when some areas in our province were hit by typhoons, numerous overseas compatriots and those in Hong Kong

and Macao generously contributed money and goods to help the stricken areas, demonstrating a towering love for the country and homeland.

20. In foreign affairs, management competence and service standards in terms of foreign-related activities and reception protocol were both further upgraded. In contacts with foreign parties, active efforts were made to propagate China's policy of adherence to reform and opening up, publicize the achievements our country and province had made in economic construction, increase visitors' knowledge of our province and their affinity toward it, and promote the exchange and cooperation in such aspects as economy, science and technology, and culture. Tourism progressed from recovery to development. Cultural and tourist resources were actively tapped and energetic efforts were made to attract tourists. While keeping up the good job in "Hong Kong and Macao tours," service was also made available for tours to some Southeast Asian countries. It is estimated that a total of over 55 million entries and exits through Guangdong's ports would be recorded for the year 1991, up 7 percent over the previous year. This figure includes 6.1 million tourists received by the cities throughout the year, up 12.8 percent over the previous year. Exchange earning through tourism will register over \$800 million, up 13 percent.

21. The backwardness in family planning started to be reversed. The governments at various levels conscientiously implemented the spirit of the national family planning work forum and the resolution of the provincial party committee and provincial government which calls for strict control of the excessive population growth rate. Two family planning upsurges were launched provincewide in the summer and fall respectively and family planning control for the floating population was strengthened. Substantial measures were taken to strengthen the building of the specialized contingent of family planning work at the grass-roots level, equipping every township or town with medical professionals and necessary apparatus. So far, 1,473 service centers have been set up, accounting for 88.1 percent of the targeted total. This has contributed much to doing a good job in the relevant day-to-day work. It is estimated that the natural population growth rate of the province was 15.5 per thousand, 0.14 per thousand below the state-prescribed target.

22. However, the development of various social undertakings was on the whole far from adequate to match the economic development. Teaching equipment was lacking in schools, teaching staff levels were not high enough, and the proportion of competent teachers by state-prescribed standards was quite low. In some localities, the "Compulsory Education Law" was not well implemented, causing a big loss of pupils. In the township and town hospitals in the vast rural areas, especially in "old, ethnic minority-inhabited, mountainous, remote, and poor" areas, crudeness of equipment and shortage of medical staff were a prominent problem, most of the cooperative medical health care systems disintegrated, and the various medical systems supported by self-raised funds were developing at a snail's pace. There was an imbalance in the family planning work provincewide and a failure to effectively check additional births.

**Continued Consolidation of Stability and Unity**

23. In order to effectively safeguard the political stability and normal public order at the "southern gate" of our motherland, the governments at various levels in our province continued to adopt vigorous measures last year and took substantial steps to strengthen the comprehensive maintenance of public order. Many coordinated heavy crackdowns on criminal offenses were organized province-wide and specialized campaigns against criminal gangs, burglary, and robbery on vehicles were conducted and brought significant results. From January to November, over 74,000 criminal offenses were cracked provincewide, firearms of various sorts captured, and illicit gains in money and in kind worth 540 million yuan seized. A preliminary multilevel network for crime prevention and handling by the masses was established all over the province; some public order sentry boxes were erected in the problematic parts of cities and county towns; and 395 reporting units were set up along arterial highways to facilitate reporting by the public. The campaign to remove the "seven vices" was carried out in more depth, repulsive social phenomena were resolutely outlawed, and a mammoth antinarcotics campaign was conducted. A batch of prostitutes and clients of prostitutes were discovered, dealt with, and detained for reeducation; 744 cases of drug trafficking were cracked and drug abusers were forced to give up drug addiction. Various localities also screened and cleaned up some venues for illegal activities. The whole province waged a sustained struggle against smuggling: 14,000 cases of smuggling and trafficking in smuggled goods were ferreted out, which spelled a telling blow to such activities in the coastal areas. The work on reeducation through labor and reform through labor was strengthened and a batch of law-violators received reeducation and reform.

24. The national defense education for the whole people was further strengthened and there was new development in the building of defense reserves. The localities conducted flexible and varied education for various people and further reinforced the public's awareness of the importance of national defense. Throughout the province, 80 % of the county (district) national defense education training bases satisfied quality examiners or even joined those units with outstanding examination results. A war exercise and military review of reserve forces were held for the first time, demonstrating the ever-growing strength of national defense reserves in Guangdong. The conscription targets were fulfilled in good time and in accordance with quality specifications all across the province. Such activities as supporting the Army and giving preferential treatment to families of revolutionary armymen and martyrs on the part of civilians, supporting the government and cherishing the people on the part of the Army, and the building of model "two-support" cities (counties) were carried out, which further strengthened the unity between the Army and the government and between soldiers and civilians. The People's Liberation Army units stationed in Guangdong, the Armed Police, and the broad masses of militiamen and reserve personnel made new contributions to the fighting of disasters in some parts of Guangdong and the rehabilitation of the homeland by the masses.

25. The building of democracy and the legal system was further strengthened. The governments at various levels continued to adhere to and refine the system whereby work developments are reported to the people's congress standing committee and that which keeps the people's political consultative conference informed. The provincial government departments and democratic parties established long-term one-to-one work relations. There was a rise in the number of non-CPC personages assuming leadership posts in governments, and a batch of non-CPC personages was engaged as supervisors, auditors, and advisers, so as to give further play to their role in political affairs in terms of participation and discussion. Last year, the 305 suggestions put forward by the deputies to the Fourth Session of the seventh provincial people's congress and the 263 motions proposed by the members of the Fourth Session of the Sixth Provincial CPPCC [Chinese People's Political Consultative Conference] Committee had all been handled by the provincial government by the end of the year. The governments at various levels continued to step up the formulation of administrative laws and regulations. Last year, the provincial government submitted 10 regional bills to the provincial people's congress standing committee for approval and promulgated 40 sets of administrative regulations. In implementing the administrative procedural law and administrative reconsideration regulations, a batch of cases for administrative reconsideration were handled, enhancing the conscientiousness of administrative organs at various levels in law-guided administration.

26. The development of clean, honest government scored new achievements. Last year, after the screening of private housing construction by cadres abusing their powers was completed, Guangdong concentrated energies on checking arbitrary imposition of fees, penalties, and various apportionments of expenses, and redressing unhealthy tendencies in trades and professions. By organizing forces to screen various projects involving the "three arbitrary practices," revising existing regulations and making new ones, and exercising comprehensive measures, we succeeded, to a preliminary extent, in keeping the "three arbitrary practices" in check and lessening the burden on enterprises and the masses. In order to substantially redress the unhealthy tendencies in various trades and professions, the governments and professional departments at various levels established and developed corresponding specialized organizations and designated 31 units directly under the provincial authorities and six cities as the chief object of inspection. The requirements were specified, the measures for redressing malpractices implemented, and the system of "publicizing the handling of affairs and subjecting it to the supervision of the masses" was gradually established and developed. Cases of gross law and discipline violation by government workers were handled. Large-scale inspection of the building of a clean, honest work style and redressing of unhealthy tendencies in trades and professions was conducted. And, through the education on the objective of serving the people and on the legal system, the broad ranks of cadres enhanced their conscientiousness in observing discipline and law and keeping themselves clean and honest,

and improved their ability to resist corruption. The phenomenon of corruption was contained to a certain extent.

27. Yet, one should also realize that under the situation of stability and unity, there were still some destabilizing factors. The "hot spot" issue that the masses are most concerned about at present is still the problem with public security. Owing to various factors, criminal offenses in some parts of this province, especially itinerant and group robberies and thefts, are still quite frequent; such base social phenomena as prostitution, visiting prostitutes, drug abuse, and drug trafficking are still prominent; and smuggling and trafficking in smuggled goods have again gained ground. All this entails continued vigorous corrective measures.

#### **Economic Structural Reform Makes New Progress**

28. The second-round contracting was completed in the enterprise reform. On the basis of conscientiously summing up the experience in the previous round of contracting, further efforts were made to improve the method for the new round. In the meantime, efforts were made to strengthen the auditing and supervision of the contracts, deepen the internal package reform of enterprises, adhere to and improve the director's (manager's) responsibility system, and strengthen the political and ideological work in enterprises; improve the distribution system, match wages to economic returns in a variety of forms, and experiment on post- and skill-related wage systems in some enterprises; popularize the system of contracted labor power employment, try out the method for managing the all-personnel labor contract system in some enterprises, and conduct rational labor combination; and continue with the organizational restructuring of enterprises, consolidate and improve the organization of existing enterprise groups, and merge some state enterprises which had been producing unsalable goods and had long been suffering losses in some cities and counties. The experiment on the enterprise stock system in Shenzhen continued to develop after the previous experience had been summed up. So far, over 100 stock companies have been set up. Among them, the number of listed companies has risen from five to 17, and nine have issued B shares, signifying an important step in the internationalization of Shenzhen's stock market. The "team for joint examination of experiments on the enterprise stock system of Guangdong Province" has been set up with the provincial government's approval to prompt the trial on the stock system provincewide.

29. Intense action was taken in price reform. While firmly grasping the favorable opportunity of a relatively stable macroeconomic environment, Guangdong introduced some price reform measures in a planned manner. Apart from increasing the prices of some means of production for industry and agriculture, and the prices of railway transportation in light of the unified planning of the State Council, commencing 1 May, we offered more chemical fertilizers at the state price to those who fulfilled the state's grain purchase quotas. Meanwhile, we also raised the prices of rationed grain and flour products. Guangdong duly readjusted the prices of coal, water, bus fares, miscellaneous education fees, kindergarten charges, and urban living expenses. Restrictions on sugar prices were lifted and the

prices were allowed to fluctuate along with market changes. In the price management system, the price management powers of the city, county, and provincial professional responsible departments were extended. The commodity prices and charges submitted to the State Council for approval decreased from 13 items in 1990 to 5 in 1991. The scope of control has been reduced over price difference management and prices of commodities not included in the plan. In places where price difference management was exercised, the accounts were settled once a year. Regarding small commodities, except for a very small number of varieties which were kept under state control, restrictions on most of them were lifted and enterprises were allowed to independently determine prices. In places where management by objective and the system of division of labor with individual responsibility were implemented for the prices of some food and means of production, assessment control quotas were removed.

30. Housing reform progress was steady. Last year the provincial government held the second provincial conference on housing reform, improved the methods for urban housing reform, and made new housing reform arrangements for the whole province. By the end of the year, the housing reform plans for 11 cities and 24 counties were approved by the provincial and city authorities. Of these, the plans for six cities and 13 counties were implemented. Other cities and counties, which did not have housing reform plans, stepped up efforts to investigate, calculate, and draft their plans. The provincial organs also tried out their housing reform. By the end of November 1991, Guangdong had sold 151,000 public houses, covering a floor area of 10.85 million square meters and recovering capital of 1.24 billion yuan (not including the installment payments which have not yet been received). Most of the cities, counties, and provincial organs which had not yet introduced housing reform raised the housing rent commencing 1 April 1991, putting an end to the state of confused rent standards for public housing and rents which had remained low for a long time.

31. Reform of the social insurance system was started, step by step. An increasing number of the elderly were protected by the insurance plan. By the end of 1991, a total of 5.61 million workers and staff members had joined the insurance scheme, 250,000 more than the previous year. Some cities increased the extent of socialization by adopting the method of unified system, accounting, and fund management for workers, regardless of their rank and economic sector. Based on thorough investigations and studies, the provincial government drafted an overall reform scheme for the insurance system for the elderly, which is to be implemented after deliberation. Some cities and counties also tried out the injury, medical, and family planning insurance systems and achieved some results.

32. Reform of the state asset management system began. To find out the actual operation of Guangdong's state assets, the provincial government made a special investigation last year of state asset management in some cities, counties, and provincial foreign trade enterprises, held a provincial state

asset management work conference, and made comprehensive planning for the reform of Guangdong's state asset management system. Special management organs are now established at the provincial and city levels, and in some counties, and preparations have been made to try out appraisal of fixed assets and circulating funds.

33. The new progress made in Guangdong's reform played a positive role in promoting the sustained, steady, and coordinated development of the national economy. As reform has entered a deeper stage, price reform, financial reform, labor and distribution reform, and reform of the enterprise operation mechanism will involve readjustment of various fields and be conditioned by various auxiliary measures. Some problems which took shape over the years need to be resolved step by step. Therefore, we should continue to make efforts to deepen reform and further settle problems in economic operation which are related to the structure.

#### Some Personal Experiences

34. It was no easy job to steer Guangdong's economic operation onto a normal track in 1991. It was the result of the three-year long economic improvement and rectification, as well as explorations made by the governments at all levels, to establish a new socialist commodity economic operation mechanism. Undoubtedly, a careful review and summary of work at this stage, appropriate handling of the relations between comprehensive management and flexibility in minor issues, and gradually embarking the economy onto a benign cycle, will be of great significance to further deepening reform, opening up wider to the outside world, and attaining the targets of the Eighth Five-Year Plan and 10-Year Program.

35. We have profoundly realized that a spacious economic environment and a fine economic order are necessary for economic development. Guangdong's economy encountered serious difficulties three years ago. The excessive growth and increasing demand resulted in an imbalance of social general supply and demand. The serious inflation exceeded the bearing capacity of society and the masses. It affected normal economic life and the smooth progress of reform. For this reason, we had to make strenuous efforts to overcome these difficulties. We resolutely implemented the principles of the CPC Central Committee and State Council on economic improvement, rectification, and deepened reform; adopted a series of economic and administrative measures; curtailed investment in fixed assets; checked the excessive growth of consumption funds; strengthened management and control over prices; reorganized companies; and improved the economic order. Meanwhile, we closely integrated rectification with reform, opening up, and development; took particular note of protecting and developing the achievements of reform and opening up; upheld the effective methods; invigorated the economy; developed production; continued to open wider to the outside world; increased foreign economic, trade, and technological exchanges and cooperation; resolved the long-standing problems which had piled up over the years in economic life; eventually overcame the economic difficulties; and ceased to be at the lowest ebb. Practice has proved that it would be impossible to smoothly develop a planned socialist

commodity economy and deepen reform without a corresponding spacious economic environment, fine investment environment, and satisfactory economic order. This is true during the smooth, and also the difficult, period of economic development. When the current economic environment is relatively spacious, the leaders at all levels should particularly take note of preventing the reoccurrence of the impatience mentality and the blind rivalry for quicker growth. We should have the ambition to develop the economy and also take the provincial conditions and strength into account, properly handling relations between subjective will and objective conditions. We should have sight of the partial small environment as well as the big external environment and properly handle relations between comprehensive management and flexibility in minor affairs. We should maintain a certain growth and also strive for satisfactory economic results and properly handle relations between growth and efficiency. In both structure and the norms of action, we should rely on deepened reform to continue to establish and improve the order for a socialist commodity economy. In this way, we can ensure that Guangdong's economy, based on overall balance, will constantly develop on the normal path.

36. We have profoundly realized that to develop a socialist commodity economy, it is necessary to attach importance to the market, cater to the market, and follow and consciously apply the law of value. Since reform and opening up, Guangdong has taken a step ahead in price reform and the scope of market regulation accounts for a larger proportion. Some two-thirds of Guangdong products are marketed in other provinces and exported. Most of the raw materials are purchased from the market. The construction funds are mustered, repaid, and accumulated by ourselves. The market mechanism is increasingly affecting economic operation as a whole. As in other parts of the country, Guangdong has suffered from a market slump in recent years, resulting in overstocking, rising deficits, and a decline in production. We could quickly extricate ourselves from the predicament thanks to the comprehensive role of various markets. Practice has proved that the market is a key link connecting production and consumption. Without a relatively perfect market system, industrial and agricultural development would be affected by the clogged circulation. It would then be impossible to realize the value of products and difficult for the government to exercise effective control and regulation over the economy. To develop a socialist commodity economy, it is necessary to foster a strong sense of market and vigorously open, build, develop, and perfect the market system; consciously apply the law of value to exercise necessary regulation and control over the market; correctly guide the appropriate readjustment and development of industries and products; rationally distribute resources; and reduce losses caused by blindness. This is the way for us to remain invincible in the increasingly competitive market.

37. We have profoundly realized that we must rely on scientific and technological progress to carry out economic construction and that we must shift economic work onto the track of relying on scientific and technological progress and improving the qualities of laborers. This has become a

pressing matter for us. Guangdong's industrial foundation was weak in the past. We have made considerable headway in recent years because we have: Benefited from the favorable opportunity of taking a step ahead in reform and opening up, relying on the guidance of industrial policies and preferential policies for importing advanced technology; upgraded over 70 percent of the enterprises through technological transformation; imported large amounts of advanced equipment and technology; raised our technological level through assimilation and innovation; developed a number of technology products; increased the reputation of Guangdong products; and enlarged their proportion in the market at home and abroad. The development of Guangdong's agriculture, forestry, animal husbandry, sideline occupations, and fisheries also relied to a great extent on scientific and technological progress. Practice has proved that the current economic competition is, in the final analysis, one of science and technology. Without scientific and technological progress, there can be no quality and efficiency. Guangdong's scientific and technological forces are insufficient, its scientific and technological level is low on the whole, and its contributions made in science and technology is limited. The proportion of Guangdong's scientific research personnel to the province's population, and the proportion of scientists and technicians to total staff members, are both still below the national average. This state of affairs is incompatible with the requirements set for Guangdong's Eighth Five-Year Plan and 10-Year Program. The pressing tasks at the moment are to: Firmly establish the concept that science and technology are the primary productive forces; enhance the sense of science and technology of all the people, leading cadres in particular; respect knowledge and qualified personnel; accelerate training of qualified personnel; improve the qualities of laborers; gradually perfect the new mechanism integrating the economy with science and technology; bring Guangdong's economic development onto the track of relying on science and technology; and to further speed up the modernization process of Guangdong's economic and social development.

38. We have profoundly realized that establishment of a self-accumulation and self-development mechanism is necessary for economic construction. As the economy grows, the increasingly prominent problem of Guangdong's construction capital shortage has become a main factor checking our economic development. Over the years, the governments at all levels in Guangdong and some enterprises have explored many effective methods in accommodating funds through various channels and forms and properly using them, including use of foreign capital and bank loans, planned issues of bonds and shares, leasing of equipment, and mustering of funds within enterprises. The pooled funds were invested in large scale infrastructure construction and technological transformation. The development of productive forces enlarged the source of capital accumulation and a benign cycle of "accumulation-development-again accumulation-again development" has initially taken shape in some trades. This self-accumulation and self-development mechanism is an important component part of the planned socialist commodity economic operation mechanism as a whole. Practice has proved that

capital is the "blood" in the development of a socialist commodity economy. Only when the channels for capital are unclogged can the economy operate smoothly and can economic efficiency constantly increase. The Eighth Five-Year Plan and 10-Year Program for Guangdong's economic and social development present a bright future and, at the same time, have set a greater demand for capital investment. We should make full use of the favorable conditions of various funds lying idle in society; deepen financial reform; open up a financial market; correctly handle relations between accumulation and consumption; try as much as possible to turn the consumption funds into production funds and short-term capital into long-term, make effective use of foreign capital and social funds mustered from various channels, speed up capital turnover, increase the use efficiency of capital, and improve the self-accumulation and self-development mechanism, which will offer a reliable guarantee to Guangdong's production and construction.

39. We have profoundly realized that a stable social order and a political situation characterized by stability and unity are required for economic construction. Economic stability is the foundation of social stability. In the course of the socialist modernization program, we should focus our attention on economic construction at all times and all work should serve economic construction. Only when the economy has developed and the people's living standards have improved can we have a reliable material foundation for social stability. Meanwhile, we should also be aware that sabotage by the hostile forces at home and abroad, criminal and economic offenses, and all kinds of ugly social phenomena will not disappear voluntarily from the scene. As they will run rampant sometimes, the struggle will be protracted. The changeable international situation will also bring out all kinds of tendencies. In the face of the complicated struggles, the government at all levels should always regard social stability as a primary task; take a clear-cut stand in conducting education in adherence to the four cardinal principles among the broad ranks of cadres and the masses; occupy all fronts with socialist ideas; and increase the people's faith in socialism. At the same time, we should sternly attack sabotage by hostile forces and all kinds of criminal offenses, improve social order, and maintain social stability. Practice has proved that social turbulence and confusion, which run counter to the will of the broad masses, will affect the process of reform and construction and seriously encroach upon the fundamental interests of the people. We should cherish and constantly consolidate and develop the political situation of stability, unity, democracy, and harmony. While focusing our attention on economic construction, we should continue to make the most of our political advantages, attach great importance to immense reaction of the spirit on material, the superstructure on the economic basis, and politics on the economy, and make due contributions to building the socialist economy, politics, and culture with Chinese characteristics.

#### Part Two: Tasks for 1992

40. The year 1992 will be a period wherein the province's economy will embark on a course of normal development and the reform will be further deepened and opening up

further expanded. Through three years' improvement and rectification, the economy has entered normal operations and the whole nation is politically and socially stable. The province's total supply and demand are basically balanced; basic facilities, such as electric power, surface communications, and correspondence and electronic communications, have further improved; additional production capacity will take effect; the rural economy has gone through comprehensive development; the market has been enjoying a steady pickup; and the policies and measures formulated by the state and provincial authorities for boosting state enterprises have created a more favorable external environment for the development of enterprises. All this has laid a sound foundation for the steady and coordinated development of this province's economy this year.

41. However, one must realize that there are still quite some difficulties in this year's economic work. In order to prevent production slippage, the state greatly increased credit input in the last two years and gave out considerable sums of relief funds for the serious flooding last year. Moreover, the adopted fine-tuning measures have started to take effect and greater flexibility is unlikely in the near future. Therefore, the entire economic environment this year will be stable and partly austere. In the wake of the disasters, the changes in the domestic market demand will impact on the transfer of commodities in and out of Guangdong; the changes in the international situation and the economic pressure in various forms imposed on China by some Western powers have made things difficult for our exports. The task of revenue delivery to the state that our province has to fulfill has grown heavier, putting great strain on the financial resources at our disposal. With the development of production and increased social demand, the shortage of electric power, transportation capacity, and raw materials has reemerged. This year will be the peak period for Guangdong's repayment of domestic and foreign debts, thus adding to the burden on relevant departments at various levels and the enterprises. Therefore, we cannot afford to be blindly optimistic about this year's overall situation. Instead, we should not only see the favorable conditions, but also face up to difficulties and problems, mobilize all positive factors, arrange for the work in various domains in light of the overall situation, and consolidate and develop the excellent conditions obtained through improvement and rectification.

#### Guiding Ideology, Major Plans, and Targets

42. The guiding ideology for this year's provincial government work is: implementing the resolutions of the Eighth Plenary Session of the 13th CPC Central Committee and the spirit of the central work conference at a deeper level; on the basis of maintaining a balance between total demand and total supply in economy and preserving social stability, further strengthening agriculture and rural work, further boosting large and medium-size state enterprises, further deepening the reform and expanding the opening up process, pushing forward the comprehensive reform experiments throughout the province, and taking substantial steps to steer economic construction into the orbit of relying on scientific and technological advancement and enhancing

labor quality; striving to achieve the unity of speed and efficiency while focusing on economic structural readjustment and enhancement of economic efficiency; making energetic efforts to open up multipolar international markets and promoting the development of foreign-oriented economy; consolidating and developing the political situation of stability and unity; promoting the overall progress of the building of spiritual civilization and society; and maintaining the sustained, steady, and coordinated development of the economy and social undertakings.

43. Based on the above guiding ideology, the province's major economic targets are as follows: The provincial GDP is to grow 10 percent; total industrial and agricultural output value is to grow 10.7 percent, 5.5 percent for agriculture, and 12 percent for industry; revenue is to grow 6 percent in terms of comparable items; foreign trade volume is to grow 19.6 percent over last year's plan; the total retail volume of commodities is to grow 14 percent; the growth of general price index is to be kept under 6 percent.

#### Maintaining Sustained, Steady, and Coordinated Development of Economy

44. It is necessary to actively push forward industrial structural adjustment. Irrational structure is a deep-level problem which impedes the entire economic development. Proceeding from the realities of our province and in accordance with the requirements of the industrial policy, it is necessary to strengthen and optimize the primary industry, upgrade the secondary industry with great efforts, and speed up the development of the tertiary industry. This year, the efforts from all quarters of this province should be gathered to give special attention to agriculture, the energy industry, surface communications, correspondence and electronic communications, key industries of raw materials, as well as industries involving high technology and with high added value; and, in particular, make significant progress in developing such basic industries and facilities as power generation, iron and steel industry, petrochemical industry, and water conservancy projects, as well as such high- and new-technology industries, such as electronic information, biological engineering, and new materials. It is necessary to speed up the process of reorganizing, transforming, readjusting, and upgrading the existing processing industries.

The focuses are: quickening the pace of improving some advantaged industries, such as the electronics, home appliances, foodstuffs and beverages, textile, and building materials industries and machine-making; reducing the production capacity of some of the processing industries that are in excess of the rational demand; firmly curbing the introduction of industries without prospects and strictly controlling the unplanned establishment of ordinary processing enterprises and the completely or partially foreign-funded labor-intensive enterprises as well as those engaged in "three processings and one compensation." While continuing to rectify the market order in various respects, we should make energetic efforts to develop the tertiary industry, mainly the trades that serve production and livelihood, such as commerce, catering services, goods and materials supply, banking, insurance, tourism, information, transportation, and property. This way, ours will gradually become a

province with relatively developed tertiary industry and relatively coordinated primary, secondary, and tertiary industries.

45. It is necessary to unswervingly make a good job of the comprehensive strengthening of agriculture and rural work as a long-term strategic task. Agriculture is the basis for economic development, social stability, and national initiative. The governments at various levels must further strengthen their leadership over agriculture and rural work; continue to deepen the rural reform; promote the development of the rural economy in all respects; stabilize various policies for the rural areas; continue to perfect the contract responsibility system on a household basis with remuneration linked to output as the core and the management system, in which unified management is combined with separate management; establish and develop the rural cooperative economic organizations at three levels; gradually expand the strength of the collective economy; guide the peasants onto the road of common prosperity; rationally readjust the agricultural structure and promote the comprehensive development of agriculture, forestry, animal husbandry, sideline production, and fisheries; make timely adjustments to grain production, and optimize the variety mix, expand the sown areas for high-quality and high-yield varieties in a planned way, and strive toward the annual output value of 19.2 million metric tons. Steady growth should be maintained for such cash crops as sugarcane, peanuts, and fruits, under the precondition of enhanced quality and efficiency; the process of upgrading afforestation to the required levels should be accelerated so that 2 million mu of forestland will be made out of barren hills; in animal husbandry and fishery, fine breeds should be increased and the output enhanced. It is necessary to do a good job in the deep-level exploitation and comprehensive utilization of agriculture, speed up the building of bases for producing high-quality agricultural products with regional characteristics, and develop exchange-earning agriculture; strengthen the management of arable land for agricultural purposes and actively expand the reclamation of intertidal zones and wasteland; continue to increase input in agriculture through various channels and start a larger, more down-to-earth upsurge of farmland water conservancy capital construction. In farmland capital construction, it is necessary to match the harnessing of rivers and watercourses with soil improvement and increase in fertilizers; and carry out the comprehensive management of mountains, watercourses, farmland, forests, and roads, and transform 3 million mu of medium and low-yield farmland by high standards. It is necessary to carry on with the good job in harnessing rivers and focus on eliminating the danger and reinforcing the existing large and medium reservoirs, water gates, river and sea embankments, and electric powered irrigation and drainage works; speed up the process of achieving safety standards; accomplish the task of comprehensively building water conservancy projects; actively push forward the process of invigorating agriculture through science and technology; continue to strengthen the building of the agrotechnical dissemination system mainly oriented to townships, towns, and management districts [guan li qu 4619 3810 0575]; develop a batch of model units and

households in applying science and technology; build model bases for the propagation of fine crop strains and animal breeds; make a good job of the experiment and popularization of improved and new varieties; make energetic efforts to develop the socialized agricultural service system in various forms; speed up the building of some agricultural wholesale markets; perfect the agricultural sales network; encourage state, collective, cooperative, and private enterprises to take part in the establishment and development of the circulation system for agricultural products which threads production, supply, and marketing together with product sales as the locomotive; do a good job in the supply of agricultural goods and materials; enliven the flow of agricultural products; protect the peasants' enthusiasm in production; develop township and town enterprises in a sustained and steady manner and offer sufficient guidance to township and town enterprises in their developing agricultural, industrial, and trade bodies; continue to conduct well the socialist ideological education in rural areas; take solid steps to strengthen the rural grass-roots organizational building; conscientiously help localities solve outstanding problems in the development of production; and take effective measures to lessen the burden on peasants.

46. The pace of terminating poverty and achieving prosperity in mountainous areas should be accelerated. While continuing to act in the spirit of last year's provincial conference on the work in mountainous areas, it is necessary to substantially carry out the policies and measures for supporting the mountainous areas and "old, ethnic minority-inhabited, remote, and poor" areas in terminating poverty and achieving prosperity; mobilize society's efforts to support the construction in mountainous areas; continue to strengthen the arrangement for the one-to-one support from provincial organs and economically developed areas toward the mountainous areas; expand the scope of support and cooperation; establish long-term and close cooperative relations; and strengthen the support for the poor through science and technology. It is especially necessary to further implement the policy of helping ethnic minority areas develop their economies, and generously help the people from reservoir sites solve their problems in resettlement.

47. Invigorating large and medium-size state enterprises is an important task in this year's government work. It is imperative to regard it as an issue with a major role to play in adhering to the socialist road and materializing the socialism's superiority, give prominence to it, and concentrate our energies to achieve success. The governments and departments at various levels must conscientiously implement the spirit of the central work conference and the enlarged session of the provincial party committee standing committee, and give substance to the policies and measures formulated by the state and provincial authorities for invigorating large and medium-size state enterprises. The provincial authorities and large and medium cities must focus on invigorating large and medium-size state enterprises, while other cities and counties must focus on invigorating local state collectives and collective enterprises in town areas. All relevant departments must proceed from their realities and formulate and implement concrete supportive measures as soon as possible. The governments at various levels must

improve macroeconomic regulation and control; continue to separate government administration from enterprise management; make good the promised autonomy for enterprises in a comprehensive way; firmly redress any practice in violation of legitimate rights and interests of enterprises; stop all unnecessary inspections and appraisals directed at enterprises, take substantial steps to lessen the burden on them, and create fine external conditions for them. Enterprises must dedicate themselves to changing their operational mechanisms and take pains to perfect the contract system, push forward technological advancement, upgrade the quality of enterprises, energetically open up the market, and mobilize the enthusiasm of workers to form a fine internal "microcycle."

48. It is necessary to steer the focus of economic work into the orbit of structural readjustment and upgrading economic efficiency, to safeguard the sustained and effective growth of industrial production. The industrial production growth rate reached quite a high level. Considering the necessity and possibility and the comprehensive balance among various aspects, we have left some leeway to the industrial growth by setting a 12 percent growth rate. The purpose is for all localities to mainly focus on structural readjustment and the enhancement of efficiency and avoid undue pursuit of output value and speed. The governments at various levels must gradually establish a set of systems, which truly reflect their actual conditions, for comprehensive assessment of performance in relation to economic objectives. When assessing economic performance and the work of enterprises in the future, it is necessary to tone down output value targets; stress economic efficiency targets; and make comprehensive assessments of the degree of accomplishment of such efficiency targets as sales income, ratio of costs to profits and payable taxes, ratio of funds consumed to profits and payable taxes, rate of comprehensive energy consumption reduction, and labor productivity. This way, we will be able to base Guangdong's economic development on the foundation of overall growth of comprehensive efficiency targets and strive to achieve the unity of speed and efficiency. Enterprises must: follow the market developments and fix their production quotas according to how marketing fares; continue to readjust the product mix; take great pains to upgrade the quality and variety of products; strengthen technological innovation and the development of new products; make energetic efforts to expand the production of famous, high-quality, new, and readily salable products characterized by high technology, high grade, high added value, and high capacity for earning foreign exchange; expand the production scope of competitive products; conscientiously make a good job of marketing; improve after-sales service; increase the competitiveness of products in the market; continue to see to it that delivery default and stockpiling be cleared up; classify and line up the products that are perennially unsalable, low-grade, and without prospects; reduce the relevant production; change the production line; and suspend production or eliminate such products. It is necessary to further strengthen the internal management of enterprises by, on the one hand, developing the basic work in various aspects; popularizing modern management; doing well the work on standardized

measurement, technological foundation, and technological supervision; and perfecting the internal auditing and inspection system. On the other hand, it is necessary to improve the work in making up deficits and increasing surpluses, strive to lower production costs, use energy sparingly and reduce consumption levels, and minimize enterprise losses and enterprises that suffer losses. It is necessary to strengthen the organization and management of production, especially the periodical management of such production essentials as coal, oil, electricity, and transportation. It is necessary to take substantial measures to safeguard production safety.

49. It is necessary to further open up the market and enliven circulation. This has a decisive influence on the process of creating a benign cycle in economic development. It is necessary to: give full play to the role of state departments responsible for commerce, grain, and goods and materials, and supply and marketing cooperatives, as the main channels of circulation; set up the system whereby important commodities are stored at different levels; activate wholesale so that it can regulate and control the market better. Meanwhile, it is necessary to: give play to the supplementary role of individual, private, and other economic sectors in enlivening circulation; strengthen the cooperation between industry and commerce; let circulation be the pilot of production; and promote the production and sales of readily marketable products. It is necessary to continue efforts to open up the market in and outside the province; actively develop the horizontal coordination and economic cooperation in such forms as joint operation, joint purchasing, and joint marketing between the enterprises in Guangdong and those outside; broaden the marketing channels; concentrate energies on the development of predominantly public owned large-scale wholesale centers; set up, in a planned way, relatively stable "Guangdong goods" wholesale and sales centers in key cities outside Guangdong; gradually establish Guangdong's commodity purchasing and marketing network around the country; conscientiously implement the policy for encouraging purchasing and marketing personnel; develop the rural market; increase the number of sales agencies; arrange for industrial products to be sent to rural areas at the appropriate times; speed up the building of rural markets and commercial agencies; establish a batch of specialized wholesale and rural markets; set up a batch of modern large and medium malls in all large and medium cities provincewide in a planned way; speed up the development of the production means market; expand the management of goods and materials not covered by the state plan; continue developing the "shopping basket" project; increase effective supply; maintain price stability; strengthen market control; sternly crack down on production of, and dealing in, false, imitation, adulterated, and low-grade commodities; give heavy punishment, in compliance with the law, to law violators who produce or sell adulterated or low-grade foodstuffs and drugs that jeopardize the people's health.

50. It is necessary to strive to increase income and cut down expenditures and enhance the utility rate of funds. Under the situation wherein the quotas of financial delivery to the state keep growing, the authorities at various levels must

consider the overall situation and ensure the accomplishment of the financial tasks assigned by the central authorities. It is necessary to: quicken the pace of financial reform; actively help with reform in prices, the wage system, housing, social security, and the management of state-owned assets; lessen the burden on the state treasury; carry on with the campaign of "two increases and two reductions"; implement the various supportive measures for invigorating state enterprises; conscientiously study and solve the problem of deficits resulting from policies in state enterprises; help enterprises improve their efficiency; set up specialized funds to help state-subsidized counties become self-sufficient and bring them into self-sufficiency in batches and at different times; conscientiously implement the "State Budget Control Regulations" and strengthen the control over budgets; make energetic efforts to tap income sources, strengthen financial management, conduct taxation in strict accordance with the law; while keeping up the good job in managing the collection of taxes from state and collective enterprises, strengthen the collection of taxes from completely or partially foreign-funded enterprises and individual-owned businesses; effectively control financial expenditures; handle things in view of financial capacity; make rational arrangements for the various outlays according to the financial resources available; strive to balance revenues and expenditures; and refrain from allowing for deficits. During the Eighth Five-Year Plan period, the affairs that have to be uniformly handled provincewide, especially the key construction projects, have increased, but the provincial-level financial resources are fragile. Therefore, it is necessary to appropriately increase the proportion of financial income at the provincial level in the entire revenue to satisfy the needs of key construction projects.

51. It is necessary to manage credit funds better and use them more flexibly. It is necessary to adhere to the monetary credit policy of "control the total demand and supply, readjust the structure, strengthen the management, regulate at appropriate times, and enhance the efficiency" and gradually establish and polish up the mechanism whereby a benign cycle of "borrowing, using, and returning" of credit funds can be created. It is necessary to make rational adjustments to the credit structure; maintain control over the orientation; support the superior and restrict the inferior in strict accordance with relevant state stipulations; give preferential treatment to large and medium-size state enterprises, key construction projects, and technological innovations in enterprises that contribute to structural adjustment; and give priority to the normal demand on funds by production, circulation, export, and the purchase of agricultural and sideline products. The banks should strengthen investigation, inspection, and examination before, during, and after extending credit and enhance the utility rate of funds by using the lever of credit to help and supervise enterprises in putting the funds into the production of, and dealing in, readily salable products. It is necessary to exert vigorous efforts to make the reserve of funds elastic; do a good job in checking up on warehouses and tapping potentialities; reduce the amount of funds held up by three things (namely, finished products of enterprises, delivered commodities, and payments to be collected), conscientiously

clear "debt chains"; step up and do a good job in "promoting sales, controlling production, and reducing stockpiling"; strictly carry out the discipline regarding settlement of accounts; speed up the clearing of defaults; make a good job of the collection of repaid loans; speed up the circulation of funds; and continue to popularize the practice of raising money for construction through various channels, actively organize deposits, run well the foreign exchange regulatory market, broaden the financing avenues, and relieve the contradictions between fund supply and demand.

52. It is necessary to readjust the structure of investments in fixed assets to guarantee the operation of key construction. It is imperative to continue adhering to the principle of "controlling the total supply and demand, readjusting the structure, highlighting the key points, and enhancing the efficiency"; improve the system of macro regulation and control for investment and the binding mechanism; strictly control the newly started projects and the construction of office buildings, large halls, and guest houses; and guard against a new wave of overheated investment and uncontrolled overlapping construction, especially that of low quality and low efficiency. It is necessary to take firm control over the orientations and utilization of funds, appropriately increase the ratio of investment in technological transformation to the total investment in fixed assets, to guarantee the supply of funds needed by the key technological transformation projects and longitudinal transformation projects. It is necessary to strengthen, in particular, the construction of such basic facilities and basic industries as water conservancy, electric power, surface communication, correspondence and electronic communications, and raw materials in short supply; support the agriculture-oriented industries; and make sure that the expanded construction scope and funds be truly directed toward increasing economic strength and developing stamina. All over the province, 36 key construction projects have been preliminarily planned for this year. They are: three projects in agriculture, including a Guangdong project under the national afforestation and greening scheme, comprehensive agricultural exploitation, and the Tiantangshan Key Water Conservancy Project; nine projects in power generation development, including the second-phase project of Plants A and C of the Shajiao Power Plant, the Guangzhou Pumping and Energy-Storing Power Station, and 500-kw nuclear power electricity transmission and transformation project; 13 projects in communications and information transmission, including the Guangzhou-Meixian-Shantou railway, Guangzhou Port, transformation of Guangzhou-Shantou highway, and the Fuzhou-Guangzhou optical cable communication line; nine projects in industry, including construction of the Dadingshan Iron Mine, transformation of the Shaoguan Iron and Steel Plant and Shaoguan Smelter; and two projects including the third-phase expansion of the Dong Shen water supply system. All these key projects affect the overall situation and are of great significance. It is imperative to go all out to guarantee the precise supply of construction funds and materials needed without creating a shortage of funds. The governments and departments at various levels must strengthen coordination and cooperation; take the overall situation into consideration; make conscientious efforts to

solve such problems as fund-raising, land purchases, and the dismantling of standing premises, inviting and submitting tenders, and construction and installation; and guarantee the completion of key projects in accordance with quality specifications, schedules, and with high efficiency.

53. We should vigorously promote scientific and technological progress. It is necessary to earnestly implement the provincial party committee and government decisions on relying on scientific and technological progress to promote economic development and genuinely infiltrate science and technology into all economic fields. We should further strengthen comprehensive guidance over scientific and technological work. Governments at all levels, departments, and enterprises should increase input in science and technology and perfect the scientific and technological investment system at various levels. Through deepening scientific and technological structural reform, we should gradually establish a new scientific and technological operation mechanism suitable to Guangdong's economic development. It is necessary to further reform the scientific research organizations' management system, extend their decision-making powers, and increase their vitality. We should strengthen the internal mechanism of enterprise technological progress; perfect the enterprise scientific and technological progress assessment system; and establish and improve the enterprise technology development organs, technological service system, and technology development fund system. Strenuous efforts should be made to build and develop a technological market and promote application of the scientific research achievements and patented innovations. Continued efforts should be made to implement the "Spark," "Bumper Harvest," "Torch," and technology development plans and to tackle major scientific research problems. We should assimilate the advanced foreign technology, make innovations, and upgrade our domestic technology. It is necessary to vigorously develop new high technologies and other industries, and run well the three high-tech industrial development zones and the Zhu Jiang delta high-tech zone. We should strengthen basic research and applied basic research and pay more attention to the building of the intermediary experiment base and the key laboratories. We should enhance the ranks of scientists and technicians; further improve their work, study, and living conditions; and arouse their enthusiasm. The reward system should be improved and the scientific and technological personnel who have contributed to the motherland must be rewarded.

54. A good job should be done in urban and rural planning, construction, and management work. The "Land Management Law," "Urban Planning Law," and other regulations should be strictly enforced. Proceeding from the long-term development objective and in light of the requirements of "unified planning, rational distribution, and comprehensive development and construction," we should carry out the urban and rural development plans with high standards. Planning should always be made before construction. Establishment of the village and management area construction planning is the prominent problem which should be dealt with at present. Under the guidance of overall construction plans, we should do well the work of urban power, water, and gas supply; garbage and sewage treatment; and public

transportation, afforestation, environmental protection, and other infrastructure building. We should focus attention on environmental protection work, comprehensively tackle environmental problems, pay more attention to the polluted areas and source of pollution, take good care of the sources of drinking water, and improve the quality of Guangdong's ecological environment. It is necessary to strictly enforce the relevant state and province regulations; enhance highway construction and management; take forceful measures to dismantle the illegal buildings on both sides of highways, streets, river banks, and particularly within the controlled areas of the state and province; and end the "dirt, irregularities, and poor services." It is necessary to strengthen management over state land, make rational use of land, exercise macrocontrol and supervision over state land resources in light of the province's comprehensive land-use plan, distribute land rationally, and increase use efficiency. The government's target responsibility system for land protection and reclamation must be implemented and use of cultivated land for nonagricultural purposes must be examined and approved strictly. Indiscriminate occupation and use of land is prohibited. We should continue to steadily reform the land use system, draft and improve the supporting system and implementation methods, and gradually expand the scope of land used on a compensation basis.

55. We should strive to improve the living standards of urban and rural inhabitants. In light of economic development and financial capacity, incomes of those working in administrative units and institutions should be duly increased. We should ensure the basic necessities of life, which include food, clothing, shelter, and transportation, in urban and rural areas. This year, the province plans to settle the housing difficulties of 50,000 households which have less than an average of 4 square meters of housing space. We will continue to develop the urban and rural labor market; redistribute labor power between cities, counties, and enterprises; and appropriately seek employment for them. We should earnestly do well the work of households with financial difficulty and people waiting for jobs in the disaster areas as well as relief and subsidies for the elderly, orphans, and disabled in urban and rural areas.

#### **Make Unremitting Efforts To Open Up Wider to Outside World**

56. With efforts made over the years, a multifunctional and categorial structure of opening up has taken shape at all levels in Guangdong and an export-oriented economy has developed markedly. The government at various levels should give full play to Guangdong's popularity and geographical advantages, unswervingly open up wider to the outside world with a clear-cut stand, continue to implement the coastal economic development strategy, expedite the export-oriented economy, further expand foreign economic and technological exchanges and cooperation, and upgrade all work related to opening up to the outside world.

57. We should vigorously develop a plural international market and maintain a steady growth in foreign trade and export. The governments at all levels should continue to deepen foreign structural reform, perfect auxiliary measures, straighten out and coordinate various relations, and

speed up the implementation of the plural export market strategy. While consolidating and developing the available export market, it is necessary to increase exports to markets in West Europe, East Europe, Africa, Southeast Asia, the Middle East, and South America, and comprehensively open up the international market. We should improve the quality of export commodities, readjust the export product mix, and increase the competitiveness of the export commodities. It is necessary to strengthen cooperation between foreign trade enterprises and the scientific research and production departments, run well the export commodity bases, develop new products, and increase the technological content and added value of export products. We should make efforts to improve internal operation and management and cut the cost of exports, strengthen management over export tax reimbursement, rationally readjust and make the most of the export tax reimbursement quotas, and sternly punish tax evaders. We should introduce various forms of sales promotion; organize relevant departments and export enterprises to set up sales, storage, distribution, wholesale, consignment sales, assembly, production, and exhibition centers; and run well the enterprises abroad. It is necessary to promote foreign technological cooperation and labor export, and use labor and technological export to develop overseas markets and boost exports. We should combine imports with exports and support exports with imports. In light of the needs of developing a plural market, the countries which have imported Chinese goods will get preference in exporting their goods to China. We should reinforce management and construction of the trade posts; increase their capacity; do well customs, commercial inspection, and transportation work; and offer comprehensive services for opening up an international market.

58. Use of foreign capital should develop toward a higher level. We should further improve the investment environment for foreign businessmen, stabilize the policies for encouraging foreign investment, and perfect the systems and regulations. We should optimize the foreign investment structure, draw foreign capital from various sources, encourage foreign businessmen to make direct investments, and make more and better use of loans granted by international financial organizations and foreign governments. The year's use of foreign capital is estimated at \$2.2 billion. In connection with infrastructure construction and enterprise technological transformation, the focus of foreign capital should be guided to basic and high-tech industries, technology type enterprises, and technological products. It is necessary to continue to strengthen management over foreign funded enterprises and run well the three kinds of foreign funded enterprises and enterprises processing materials for foreign firms. Attention should be paid to readjustment of the debt structure and management over foreign debt should be strengthened to ensure repayment of foreign debts on time.

59. We should push forward development of the regional export-oriented economy. All regions should make the most of their topographical and resources advantages, strive to develop an export-oriented economy, and gradually establish a new structure of opening up with unique features at various levels. The special economic zones should steadily

introduce economic and political structural reform in a coordinated manner; step up infrastructure construction; continue to improve the investment environment, make effective use of foreign capital; vigorously develop high-tech industries, boost tertiary industries, which include tourism, information, finance, and trade; and bring about rationalization and modernization of the industrial setup. In this regard, we should widen our field of vision, emancipate our minds, take bolder steps, and continue to be the vanguard in opening up to the outside world. It is necessary to step up construction of the coastal cities and economic regions; import advanced technology and maintain close contacts between counterpart organizations at home, with the international and domestic market as the guide; focus attention on developing capital and technology intensive industries and enterprises; develop specialized production and production of a scale, and upgrade the level of the export-oriented enterprises. It is particularly necessary to give full play to Guangzhou's role as a key city and run well the economic and technological development zones in Guangzhou and Zhanjiang. The mountain and poverty-stricken areas should take quicker steps in opening up to the outside world, rely on abundant local resources to run well the joint ventures and township enterprises processing materials for foreign firms, set up labor intensive enterprises and enterprises focused on exploiting resources, and develop an export-oriented economy. It is necessary to further strengthen economic and technological exchanges and cooperation between Guangdong, Hong Kong, and Macao; constantly expand the field of cooperation focused on long-term interests; bring Guangdong-Hong Kong-Macao economic cooperation to a higher level; and establish closer relations of mutual help and common prosperity.

60. Overseas Chinese affairs, external affairs, and tourism work should serve economic construction and play a greater role in opening up to the outside world. In Overseas Chinese affairs work, we should carry out all kinds of friendship activities; do well reception work; and maintain close contacts with fellow countrymen residing abroad, which will be conducive to Guangdong's import of advanced technology, capital, and personnel. We should continue to implement the policies concerning Overseas Chinese, step up and complete the work of returning the rural houses which belong to Chinese nationals abroad, implement the policies on houses in urban areas which belong to Overseas Chinese, support production of state-owned Overseas Chinese farms, help returned Overseas Chinese and their relatives resolve their practical difficulties, protect according to law the legitimate rights of Overseas Chinese and their relatives, and further arouse their enthusiasm for supporting and participating in their hometown construction. We should sincerely and attentively listen to the views and proposals of Overseas Chinese and compatriots from Hong Kong and Macao so that all of our province's work will accord with the will of the people and Overseas Chinese. In external work, we should earnestly implement China's diplomatic principles and policies, extensively carry out foreign propaganda, and make friends with people all over the world. Through protocol work, people-to-people friendship, local friendship,

and other channels, we should step up Guangdong's economic, scientific and technological, education, and medical exchanges and cooperation with other countries and do more practical things for the "plural" strategy of Guangdong's foreign economy and trade. In tourism, we should have a firm grip of the changes and opportunities in the world tourist market, increase Guangdong's influence in the Hong Kong and Macao tourist market, and open up the international tourist market in Japan, the United States, and West Europe. Focused on the "1992 China Friendship Tour Year" activity, we should exploit tourist resources, increase the sources of visitors, gradually realize scientific management of tourism, and enhance Guangdong's tourist attraction.

#### Seize Favorable Opportunity To Accelerate Pace of Reform

61. The general requirements of Guangdong's 1992 reform include: Make substantial progress in exploring and establishing a new economic operation mechanism; adopt reform measures focused on the prominent problems in current economic life which demand prompt solution and integrate reform with development; and take note of convergence with last year's reform measures to maintain continuity and stability of the major reform policies.

62. We should expedite the supporting reforms focused on improving the enterprise mechanism. The governments at all levels should reduce their direct management over enterprise daily operation in light of the principle of separating government administration from enterprise management and exercising indirect management, and urge enterprises to face the market and effect a change in their operation mechanism. It is necessary to seriously enforce the "Enterprise Law" and comprehensively ensure the decision-making powers of enterprises. The decision-making powers which should be extended to enterprises in accordance with the "Enterprise Law" should be totally extended to enterprises. Attention should be given to the comprehensive reform experiments of 100 enterprises. We should continue to promote reform of the labor and wage systems and extend the experiments of post technical know-how and wage and all-personnel labor contract systems. We should encourage enterprises to accelerate the pace of their structural readjustment through means of contract, leasing, and merger and allow only the best to survive. While readjusting and perfecting the existing enterprise groups, it is necessary to develop a number of enterprise groups with the support of backbone enterprises and quality products as a leading factor. We should encourage and support large backbone enterprises to organize a number of integrated enterprise groups through shareholding, merger, and other means and run well a number of key enterprise groups.

63. We should experiment with the joint stock system and develop and improve the financial market. While perfecting and developing the Shenzhen enterprise joint stock system and securities exchange, we should spread the joint stock system experiment to the whole province and organize a number of shareholding companies. The joint stock system should be first tried out in urban collective enterprises and township enterprises. It is necessary to formulate relevant economic laws; gradually realize standardized management

in finance, taxation, labor, and distribution; and ensure the joint stock system's normal development. In connection with the experiment, it is necessary to speed up the development of Guangdong's security market, improve the market management, and ensure that the security market will operate normally. We should also develop a short-term capital accommodation market and continue to open up the leasing market.

64. We should accelerate the pace of price reform and further regulate price relations. Special attention will be given to the reform of grain prices this year. The tentative plan, which remains to be examined and approved by the State Council, is to adopt better measures than the purchase and marketing prices, which are at the same level. Regarding prices of the means of production, we should focus on reforming the electricity price management system, rationally readjust the network power prices, and change the "various tracks" to a "single track." As to other means of production, apart from setting planned prices for a small number of reserve materials, materials for ensuring the key construction projects, and materials supplied within the state plan, the restrictions on the prices of ordinary means of production will be lifted and a change will be gradually effected from the "double track system" to market regulation. We should continue to readjust in a planned manner the irrational prices of consumer goods and labor charges. It is necessary to strengthen management over the prices of commodity houses and land transfer. The "Regulations for Management Over Administrative Charges in Guangdong" should be implemented and the management system for operation and service charges should be perfected. We should improve the price management system, further delegate the price management powers to the lower levels, reduce the number of products controlled by the provincial authorities, extend the price management powers of the cities and counties, minimize direct administrative interference, extend the decision-making powers of enterprises, and improve the mechanism of enterprises determining prices. At the same time, it is necessary to comprehensively apply economic, legal, and administrative means to regulate prices; improve the price regulation fund system; and maintain price stability.

65. We should deepen reform of the circulation system and unclutter circulation for urban and rural commodities. The large and medium-size state-owned commercial enterprises and the supply and marketing cooperatives at above the county level should lift the restrictions on operation, prices, distribution, and employment and improve their operation mechanism. Regarding the small state-owned retail centers, the forms of "reform, transfer, leasing, and contract" can be applied. They may also try out reforms in mergers and auction, and form chain stores. The current supply and marketing system should be reformed and its collective nature should be gradually restored. The state-owned grain enterprises should effect a change from their operation in grain within the plan to basing themselves on competition, independent operation, assumption of sole responsibility for profit and loss, and taking the road of comprehensive development and adapt themselves to the changes in the grain purchase and marketing systems and price reform. In

material supply, we should closely follow the changes in the supply and demand for resources, further reduce the varieties and quantity of mandatory planned distribution, and duly expand the scope of guidance planning. It is necessary to develop the circulation forms of direct supply and allocation of materials, and suiting production to demand. Preparations should be made for the establishment of the essential material exchanges throughout Guangdong and for the development of futures trading step by step. We should organize a number of commercial (material) enterprise groups, give full play to their superiority of operation of scale, and open up markets at home and abroad through various channels.

66. We should promote reform of the state asset management system. It is necessary to gradually establish and perfect the state assets management departments at the three levels of the province, city, and county; regulate the relations between finance and relevant enterprise departments; authorize the state assets departments to solely represent state ownership; ensure that enterprise state assets will not be encroached upon and increase their value; step up the experiments of general checkup on fixed assets, determination and registration of property rights, and operation of state assets on commission basis; and spread the practices to the whole province after gaining experience. It is necessary to reform the existing enterprise financial system and gradually resolve the problems of drain on state assets and exaggerated profits but real deficits of enterprises.

67. We should introduce social insurance system reform. The overall plan for reform of the elderly insurance system shall be implemented step by step commencing this year. In light of the principles of a share taken by the state, enterprise, and individual; of connecting retirement with social economic development; and of linking pension to one's labor contribution and insured amount, we should establish a new two-level accounting system which will be under unified management of the province and city. It is necessary to speed up the pace of reform of the insurance system for workers waiting for jobs and create the necessary social environment for readjusting enterprise organizational structure and reforming the labor employment system. Where conditions permit, the cities and counties may gradually implement the injury insurance and medical insurance system.

68. We should comprehensively reform the housing system. The housing reform plans submitted by the cities and approved by the provincial authorities should be implemented in the near future. Cities which have not drafted housing reform plans or have not submitted their plans to the provincial authorities should complete the work within this year. All counties should also accelerate the pace of housing reform. Apart from a small number of mountain counties with financial difficulties and areas undergoing readjustment, where housing reform can be postponed, housing reform of other counties should be carried out along with the cities. The selling of public houses should be combined with the readjustment of the public housing rent. In the economically developed cities and counties, the rent should be raised to the cost rent level composed of five

essential factors. The underdeveloped counties should also raise the rent so that more people will join the ranks of buying houses. We will continue the policy of mustering funds through various channels for building houses; strengthen management over the use of housing funds; and establish a system of mustering funds for building houses which combine the efforts of the state, enterprise, and individuals.

#### **Strengthen Building of Spiritual Civilization, Energetically Promote Development of Social Undertakings**

69. It is necessary to carry on strengthening the building of spiritual civilization. The ultimate aims of spiritual civilization building are to: enhance the ideological and moral quality of the whole people and their scientific and cultural quality, bring up a new generation of people with "four qualities," and provide a powerful spiritual motive force and intellectual support for economic construction. It is necessary to take solid steps to strengthen the ideological and political work in light of economic and professional activities; adhere to the socialist orientation; carry on with the education on the party's basic line, patriotism, collectivism, national conditions, and provincial conditions in greater depth among the broad ranks of cadres and people; carry forward and promote the fine tradition of "regeneration through our own efforts, plain living, and hard struggle, and handling of all affairs in a frugal manner," and cherish Guangdong people's spirit of "unity, practicality, and pioneering." The various localities and departments should formulate and improve their plans for the building of spiritual civilization in light of their realities, put forward specific targets and requirements that are easily understandable and acceptable to the masses, conduct education on social ethics and professional morality in greater depth, carry out various activities for fostering new moods of socialist civilization, and be consistent with all these undertakings. It is necessary to keep up the good job in the construction of various spiritual civilization facilities in keeping with the economic development, create better environments and conditions, and give full play to the educative functions of various facilities and venues. Guangdong is blessed with the conditions that facilitate exchange with the outside. It is necessary, while carrying forward and promoting the essence of our nation's culture, to actively conduct cultural exchanges with the outside, assimilate excellent cultural achievements from abroad, and make them serve our province's modernization.

70. It is necessary to give consistent priority to the educational undertaking. It is imperative to exert ourselves to enhance the whole people's awareness of the importance of education, continue to increase the input in education, encourage fund-raising for running schools through various channels, further replenish teaching equipment, and improve the conditions for educational undertaking. The schools at all levels and in all categories must adhere to the socialist educational orientation; take as their basic task the training of successors to the socialist cause who are well developed morally, physically, and intellectually; and improve educational standards and the quality of teaching. It is necessary to keep up the good job in the training of primary and middle school teachers and the in-service

training of school principals and improve the quality of the teaching contingent; actively popularize the system of nine-year compulsory education on the basis of consolidated universalization of primary education; deepen the comprehensive structural reform for education in rural areas; develop technical training and expand the scope of enrollment to intermediate technical schools; further optimize the subject and speciality mix in higher education according to the needs of economic and social development; establish a batch of key subjects, key laboratories, and practice bases on and off campus in a planned way; give play to the advantages of institutions of higher learning, strengthen scientific research and scientific and technological exploitation; promote the development of the high-technology industry; strengthen infant and special education and do well in the building of children's activity venues; conduct multilevel follow-up education for workers at their posts and adult education highlighting in-service training; and do a good job in eliminating illiteracy among the young and those in their prime of life in rural areas as well as areas inhabited by ethnic minority groups.

71. It is necessary to take pains to develop cultural undertakings. This year marks the 50th anniversary of the publication of Comrade Mao Zedong's "Speech at the Literary and Art Forum in Yan'an." The broad ranks of literary and art workers should continue to study hard Marxist literary and art theories, Mao Zedong's thinking on literature and art, produce a batch of works that vocalize the socialist theme and reflect realities, strive to reinvigorate local operas and folk arts, enthusiastically conduct various mass entertainment activities, and enrich the cultural life of the masses. It is necessary to strengthen the management of the society's cultural market and polish and develop relevant regulations. Efforts should be made to achieve greater progress in the construction of various cultural facilities under the Eighth Five-Year Plan. Social science theoretical workers should further explore the economic, political, and cultural aspects of socialism with Chinese characteristics and, in particular, conscientiously sum up Guangdong's experience in socialist modernization process. In press, publications, and radio and television broadcasting, it is necessary to propagate the party's line, principles, and policies comprehensively and accurately, creating a fine environment of media for socialist modernization. It is necessary to strengthen the building of radio and television stations at various levels, meticulously produce the programs that interest the masses, widen the range of programs on radio and television, and satisfy the urgent needs of the masses in mountainous and remote areas. The publication sector should produce as many good books as possible and do a good job of distribution. It is necessary to step up the protection and utilization of relics and do a better job in archiving, research on culture and history, and the making of local annals. More effective measures should be taken to popularize Putonghua [vernacular Chinese].

72. It is necessary to make a good job of medical care and health work. It is necessary to further strengthen the building of medical facilities, actively conduct medical research, reinvigorate Chinese medicine, strengthen the training of medical personnel and education on professional

etiquette for them, and upgrade the standards of medical care and health work. It is necessary to step up the building of medical care, disease prevention, and health protection networks at three levels in rural areas, especially township and town hospitals, and achieve "one no, and the matching of three [yi wu, san pei tao 0001 2477 0005 6792 1152]" (namely, no unsafe premises and the matching of personnel, premises, and equipment); manage well the rectification and building of health centers in management districts [guan li qu 4619 3810 0575] and upgrade more of them to Class A; actively popularize and develop the cooperative medical care system in rural areas; take steps to encourage university and intermediate technical school graduates to work in the rural health sector; improve the treatment for rural health specialists, to stabilize the medical care contingent in rural areas; adopt substantial measures for maternity and child care and prenatal and postnatal care; take pains in the planned immunity work and prevention of endemic and chronic diseases; further conduct the patriotic health campaign in urban and rural areas provincewide and bring forth more cities and townships and towns that are exemplary in health care and hygiene; continue to carry out well the projects for improving water quality and toilets in a bid to improve the health environment and conditions in rural areas.

73. It is necessary to carry out mass sports activities on a more extensive scale, build up the people's health, and strive to bring forth more counties, townships, and towns that are exemplary in physical culture; strengthen the building of sports teams; concentrate on improving the training of excellent athletes and upgrading their athletic qualities; strive to score good achievements in major national and international contests; attach importance to research on the science of physical culture; establish and improve the networks for selecting and training sports-inclined people; and bring up more top-notch sportsmen for the nation. It is necessary to host well the various national sports competitions to take place in our province this year and ensure that all competitions be conducted successfully.

74. It is necessary to keep up the good job in family planning so that it can gradually become the public's voluntary act. It is estimated that this year will see the pinnacle of the third peak of childbirths in our province. The situation concerning population growth remains grim and it is imperative to keep up the good job in family planning with a sense of urgency. It is necessary to resolutely improve the system whereby administrators at various levels take responsibility for accomplishing the population control targets, adhere to the system whereby one person can veto a motion, and increase input in the undertaking of family planning. It is necessary to further strengthen the building of a family planning work contingent in the management districts and develop the service networks at three levels, run the social welfare undertaking well by establishing the old-age security system, and remove the misgivings of the families with only female offspring. It is necessary to step up supervision and severely punish the "four deceptive practices" (namely, giving pretended surgical sterilization, false appraisals, false proofs, and false figures). It is necessary to form a comprehensive and coordinated social regulation and control

system from economic, legal, and administrative angles, and strive to keep the natural population growth rate in our province under 15.5 per mill.

#### Further Consolidate and Develop Stability and Unity

75. It is necessary to continue to maintain social stability. The governments and political and judicial departments at various levels must further strengthen the struggle against hostile forces within and outside the borders and, in accordance with the law, severely crack down on criminal and economic offenses that seriously jeopardize public security. It is necessary to carry on, in greater depth, with the struggle to wipe out the "seven vices," bring to justice drug traffickers and those who abduct and traffic in women and children, and heavily punish major culprits. Great efforts should be made to eliminate such repulsive phenomena as prostitute-visiting, prostitution, and drug abuse; to carry on with the struggle against smuggling and trafficking in smuggled goods in coastal areas and key townships and towns; to take solid measures to strengthen the work on reform through labor and reeducation through labor; to clear the channels for contacts with the masses and handle well any disputes within the people; to hold on to the principle of "paying equal attention to crackdown and prevention, treat both the phenomena and root causes, and focus on the latter" and strengthen comprehensive management; to appropriately expand the police force and stress the building of police conduct; to mobilize the whole society to conscientiously implement various security responsibility systems, adopt various preventive measures to reinforce the management of public security, prevent and remove various destabilizing factors; and to ensure that people can live and work in peace and contentment.

76. It is necessary to carry out national defense education in depth and reinforce the unity between the army and the civilians. It is necessary to popularize and deepen the national defense education on the basis of what we have already achieved and gradually socialize, regularize, and institutionalize it. It is necessary to focus on exploring the experience and methodology in national defense education directed to primary and middle school students; in accordance with the "Militia Work Regulations," extensively work to satisfy the unified requirements in "three implementations" and creating good records on the part of the militia organizations at the grass-roots level; focus on the building of militia and reserve forces along the coast and in cities; give full play to the mainstay role of militia and reserve forces in maintaining public security and providing disaster relief; carry out the campaign of building civilizations by the military and the civilians working together in a down-to-earth and persistent way; keep up the good job in supporting the army and giving preferential treatment to families of revolutionary soldiers and martyrs and establish more "double-support" model cities (or counties); and support the building of the army as much as ever before, strive to accomplish the conscription quotas, and make substantial arrangements for the settlement of demobilized soldiers, those transferred to civilian work, and retired military cadres with or without privilege.

77. It is necessary to develop the building of socialist democracy and the legal system. The governments at various levels must continue to subject themselves to the supervision of people's congresses and their standing committees, consistently report the developments of work to the people's congresses and their standing committees, and conscientiously implement the resolutions of the latter; further strengthen the ties with people's political consultative committees and democratic parties, and give better play to their role concerning the participation in, and discussion of, political affairs; conscientiously process the motions and suggestions from the deputies to people's congresses and political consultative conferences; listen to the opinions from various sources with an open mind; constantly improve the work of governments at various levels and departments in various sectors; gradually establish and improve the system for the democratic participation of trade unions, the Communist Youth League, and women's associations in the government work; and continue to implement the policy of freedom of religious belief and further strengthen the unity with personalities from religious circles and strengthen management over religious affairs, on the basis of basically implementing the policy regarding religious house property. It is necessary to strengthen the work on judicial administration, lawyers, and notarization and provide fine legal services to help promote economic development; conduct well the inspection of law enforcement; continue to implement the Second Five-Year Plan for popularization of law; and reinforce the legal consciousness of the broad ranks of cadres and masses. The leading cadres and law-enforcing cadres at various levels must take the lead in studying and observing the law, conscientiously implement the "Administrative Procedural Law," do a good job in administrative reconsideration and administrative responding, and improve the standards of administration and management according to law.

78. It is necessary to take solid measures to strengthen the building of a clean, honest government and work hard to improve the government's work style. The building of a clean, honest government concerns the reform, construction, and social stability. Therefore, it is imperative to do a good job in this area, especially to pay attention and find timely solutions to the problems spotlighted by the masses, keep up the good job in redressing the "three arbitrary practices" with a sense of urgency, expose the various corrupt acts in time, and punish, according to law, criminals who are corrupt and take bribes. Treating guests to dinners, giving out presents, and traveling for sightseeing all at public expense must be strictly forbidden. It is necessary to combine internal supervision with external supervision, further develop the system for building a clean, honest government, and perfect the supervision mechanism to provide norms for the process of building a clean and honest government. In this respect, unremitting efforts are a must. It is necessary to carry on with the organizational reform and that on the personnel system to make them conform to the needs of the changing situation. The staff of governments at various levels must step up efforts to improve themselves and to study the theories of

Marxism and Mao Zedong Thought and acquire professional knowledge through such courses as in-service study and full-time training, upgrading their political and professional quality. They should maintain close ties with the masses, regularly immerse themselves in reality, go to the grass roots, listen to the opinions of the masses, and show concern for their woes; consistently maintain the government work style that is industrious and oriented to the interests of the people; and constantly improve the work style of government organs, overcome bureaucracy, enhance the efficiency, and serve the grass roots and masses better. It is necessary to strengthen investigation and research, collect feedback, pay attention to supervision and inspection, guarantee the timely accomplishment of various tasks of the government, so that the governments at various levels will become

democratic, clean, and efficient people's governments welcomed and supported by the broad masses.

Fellow deputies: In the past year, we made a good start for the accomplishment of the Eighth Five-Year Plan. In the new year, we are faced with honorable and arduous tasks. As long as the governments at various levels and the people throughout the province unswervingly implement the party's basic line, rouse themselves, and do their work in a down-to-earth manner, we are bound to be able to achieve the sustained, steady, and coordinated development of the economy and score excellent achievements in deepening the reform, expanding the opening up process, and building two civilizations, to greet the convening of the 14th CPC National Congress.

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